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MONEY

Cambodian Now Says He Favors Khmer Trial

Hun Sen, Under Fire, Asserts 2 Pol Pot Aides Weren't Given Immunity

By Seth Mydans
New York Times Service

PHNOM PENH — In an angry statement, Prime Minister Hun Sen denied Friday that he opposed a trial for two high-ranking Khmer Rouge defectors and said he supported an investigation into the mass killings of the 1970s.

Responding to criticism for his statement this week that the defectors should be met with bouquets rather than handcuffs, he said that his first priority had been to secure peace and that the question of trials was the next order of business.

"My position is that the trial of the Khmer Rouge is a fait accompli and should proceed," he said, referring to a case that was opened 20 years ago under an occupying Vietnamese Army.

He noted in a statement welcoming the defectors, Kieu Samphan and Nuon Chea, he had said explicitly that he could make no guarantees of immunity.

On Friday he said he had been consistent for years in seeking to bring the Khmer Rouge to justice. He accused foreign nations of "fake morality" for nurturing the Khmer Rouge in a decade-long civil war against him when it suited their purposes, then criticizing him when he lured Khmer Rouge leaders in from the cold with a promise of national reconciliation.

In a revealing comment about the apparent contradictions of his statements, Mr. Hun Sen, who plays chess, said, "The best chess player is the one who knows how to move a large number of pawns in support of each other from point to point to secure victory."

He also seemed to reveal the logic of some of his moves when he said he would have been a "cowardly commander" if he had negotiated the surrenders of Khmer Rouge leaders only to turn on them and arrest them the moment they were in his hands.

Though it does not appear that any arrest of a Khmer Rouge leader is imminent, the two recent defectors may have reason to rest somewhat less easily following Mr. Hun Sen's statement. He has many pawns on the board, he is testing the political winds and his options are open.

Feeling the heat, the Khmer Rouge mounted a propaganda counterattack Friday, with a spokesman also raising the muddy political and moral issues of the past.

Any trial of Khmer Rouge leaders for the deaths of more than a million people from 1975 to 1979 should also include an examination of "200 days and 200 nights" of U.S. bombing of Cambodia during the war in Indochina, said the spokesman, Long Norin.

"If they push for a tribunal, we will dig up the past and we will present our own case," he said. "Then we will go to The Hague together for trial."

Mr. Hun Sen stirred controversy

See TRIAL, Page 5

U.S. Is Ready for the Bug

Computer Glitch Is Looking Less Ferocious

By Rajiv Chandrasekaran and Stephen Barr
Washington Post Service

WASHINGTON — With one year to go until the world's computers confront their electronic day of reckoning, a growing number of technology experts say large U.S. corporations and government agencies have dramatically increased the pace of their repair work and now appear to be on track to solve the year 2000 problem.

Many analysts still warn that next New Year's Day will not be trouble-free — many small U.S. companies as well as many businesses and governments in other countries, have been paying only scant attention to the problem. But the specialists have become sanguine enough to dismiss doomsday



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predictions of widespread power outages, telephone failures and grounded jetliners in the United States.

Confidence is up, they say, because of three key developments: Businesses and federal agencies that were lagging in their repair work early last year have redoubled their efforts in recent months; telephone and electric networks, which

are crucial to the operation of almost all large computer systems, are in better-than-expected shape, and technicians have found remarkably few date-related problems with the electronic circuitry in a host of other everyday devices, from subway cars to elevators.

John Koskinen, the chief year 2000 adviser to President Bill Clinton, predicts that the bug's impact will be similar to that of a powerful winter storm: minor inconveniences for many people and severe but short-term disruptions for some.

"We still don't know how many storms there will be, but the risk is localized storms, not national debacles," he said.

"I'm very optimistic that this is not the end of Western civilization as we know it," said Senator Robert Bennett, a Utah Republican who heads a special committee examining the issue.

The year 2000 problem, known as Y2K, stems from the fact that millions of electronic devices, whether they are mainframe computers that send out

AGENDA

Cape Town Bomb Leaves 2 Injured

CAPE TOWN (Reuters) — Two people were injured in a car-bomb explosion in Cape Town on Friday at a waterfront entertainment area where two people were killed in a pipe bomb blast last August.

The explosion went off in a parking area at the entrance to the Victoria and Alfred wharf, a police spokesman said. "It appears to have been a car bomb." Cape Town has been the scene of clashes involving gangs and Muslim militants, and recently Muslims have protested U.S. and British air strikes against Iraq.

Texas Wins Bowl

Rooke quarterback Major Applewhite led the University of Texas to its first Cotton Bowl victory since 1982. He threw three touchdown passes to lift the Longhorns over Mississippi State, 33-11. Page 18.

Growing Baby Bell

Bell Atlantic Corp., the largest U.S. local-telephone company, is negotiating to buy AirTouch Communications Inc. for \$45 billion in stock. Page 9.

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Republican on Impeachment Tightrope

Lott Presses for Speed, Angering Right Wing

By Thomas B. Edsall
Washington Post Service

WASHINGTON — In floating a trial balloon aimed at bringing a swift conclusion to impeachment proceedings, the leader of the Senate Republican majority, Trent Lott of Mississippi, has embarked on a risky political path that has already provoked the Republican right.

Mr. Lott is gambling that it is worth angering hard-line

NEWS House members, his ANALYSIS party's conservative wing and Republican activists in his home state to protect vulnerable Republican senators facing tough re-election fights in 2000, according to Republicans and Democrats involved in the process.

The majority leader has consulted with more than two dozen Republican senators in recent days as part of an outreach campaign that has had his "phone lines burning," in the words of one aide, but yet not produced a workable consensus on how Republicans will proceed with the politically incendiary impeachment issue when they return to Washington on Wednesday.

Adapting a bipartisan proposal drafted by Senators Joseph Lieberman, Democrat of Connecticut, and Slade Gorton, Republican of Washington, Mr. Lott hopes to encourage a speedy end to an impeachment drama that polls say the public long ago grew weary of by dividing the trial into two distinct phases.

President Bill Clinton teeing off on a golf course at Hilton Head, South Carolina, where he was attending the Renaissance Weekend retreat.

In the first phase, the Senate would hear the equivalent of opening arguments from House prosecutors and President Bill Clinton's defense team, then cast votes on whether the alleged offenses — even if true — warrant the president's removal from office. Only if two-thirds of the Senate voted "yes," which most vote-counters regard as unlikely, would the trial enter a second phase with a presentation of evidence. The most likely option, senators say, would be a motion to end the case with a resolution of censure against Mr. Clinton.

Critics of Mr. Lott's still tentative decision said it would allow Mr. Clinton to avoid a lengthy Senate trial and the embarrassment of direct testimony by Monica Lewinsky and others, preventing an opportunity to make a more convincing case to the public of Mr. Clinton's culpability and the legitimacy of removing him from office.

Mr. Lott remains in seclusion from the press and his aides have little to say about the rationale of his impeachment strategy. Others, however, were not so reticent.

"This is very discouraging," said Clark Reed, a driving force in building the Mississippi Republican Party over the past three and a half decades and who is a close associate of Mr. Lott's. "Frankly, I'm torn my own

See CLINTON, Page 5

For 11 Countries, a Single Currency Europeans Place Monetary Bets on Greater Unity

By Barry James
International Herald Tribune

BRUSSELS — Nearly 300 million Europeans awoke Friday to a new page in history that the finance minister of Portugal, Antonio de Sousa Franco, described as "impossible to turn back."

At midnight, 11 national currencies had been fused into a single money, the euro.

Although familiar francs, marks, markka, lire, pesetas, punts, schillings, guilders and escudos will continue to circulate for three years, on Friday they were no longer independent currencies but subdivisions of the common currency. Euro banknotes and coins will be introduced in the first half of 2002, but already this year the euro will become the main European currency for noncash transactions such as electronic transfers and credit card payments.

The signing of an accord Thursday in Brussels by Mr. de Sousa and the ministers of the 10 other

euro nations, as schoolchildren outside released hundreds of blue balloons into the gray sky, was a defining moment not only for the European economy but for the struggle over the past half century to forge a closer political identity.

Some of the ministers seemed quite moved by

Financial organizations across Europe scramble to prepare for the euro. Page 9.

the occasion. "I'm proud to be able to call myself a European citizen, born in Italy," said Treasury Minister Carlo Azeglio Ciampi of Italy. "That is what I feel like today." He said the euro represented a decisive step toward "the ever closer union" of the peoples of Europe.

Finance Minister Dominique Strauss-Kahn of France said, "I do not feel any less French. But we all feel a bit more European."

Wim Duisenberg, president of the European

Central Bank, took over the reins of European monetary policy, including the setting of interest rates, a power that until Friday had been a closely guarded responsibility of sovereign governments.

"The euro has become a currency that will keep its value over time and contribute to a peaceful and stable Europe," he said.

After agreeing on the rates at which national currencies will enter the euro, the ministers celebrated their pact by opening bottles of Champagne topped with the symbol of the new currency, an E crossed with two strokes.

No one wanted to rain on the parade of goodwill, but nevertheless a dispute over the name of Mr. Duisenberg cropped up again. The question was, did he or did he not give a commitment to President Jacques Chirac of France in May that he would step down midway through his eight-year term to make way for Jean-Claude Trichet, president of the central bank of France?

Mr. Duisenberg said this week that he would

not leave early, in contrast to earlier assumptions. On Thursday, he said he would break with his usual policy of giving straight answers to straight questions and reply with a "no comment."

"You will have to live with uncertainty on this for a long time to come," he told reporters.

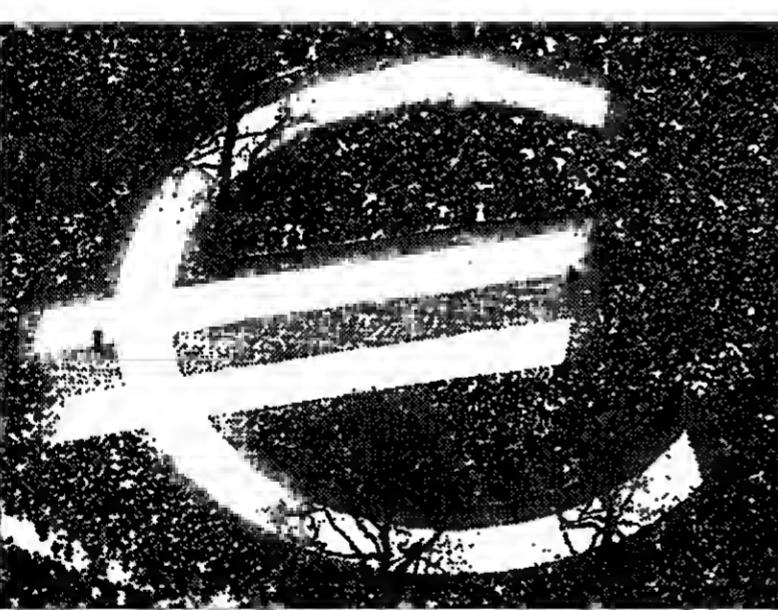
Financial markets are watching the dispute closely for any sign that the central bank might be prone to political pressure from governments, particularly at a time when some politicians are calling for the bank to reduce interest rates below the current benchmark of 3 percent in the euro zone in an effort to stimulate economic growth.

In an interview with the Italian newspaper La Repubblica, Mr. Duisenberg said he wanted to remain in office "for a long time" and stressed that the central bank would not take orders from politicians.

Jacques Santini, president of the European

See EURO, Page 13

Will the Euro Put an End to the Dollar's Dominant Role?



A crowd surrounding a giant euro symbol in a park in Frankfurt's banking district Friday, the day the currency was officially introduced.

By Paul Blustein
Washington Post Service

WASHINGTON — The beginning of the end for one of America's great free lunches comes Monday, when 11 European countries begin trading the euro as their common currency.

That is one scenario, based on some analysts' expectation that the introduction of the euro will undermine the dominance of the U.S. dollar in the global monetary system, threatening America's ability to maintain its profligate economy by borrowing cheaply from overseas.

But others offer another, less disturbing prediction of how the euro will affect the United States: It will do little harm to the U.S. economy, in this view, and may do considerable good.

The dollar will retain its premier role in world finance and trade, while a more unified Europe offers lucrative opportunities for American corporations and provides reassurance that the Continent will never again plunge into war.

Such conflicting forecasts are among

the many maddening uncertainties surrounding Europe's grand experiment in creating a unified currency.

What nearly everyone agrees on is that the euro could pose the first serious challenge to the half-century reign of the dollar as the undisputed king of global currencies.

The U.S. Treasury — the guardian of the international status of the dollar — is ablae about the euro. Both publicly and privately, economists in the administration of President Bill Clinton wish their European counterparts luck in establishing a credible currency that helps foster a more vibrant, stable economy on the Continent.

"We have everything to gain and little to lose from the success of this momentous project," Lawrence Summers, deputy Treasury secretary, said recently. "If Europe benefits, this will greatly benefit the United States."

A number of economists and money-market experts are far less sanguine about the ramifications of the new currency.

After all, the dollar commands a

position in the world economy that far exceeds the United States' 27 percent share of global output. The dollar is used in more than half of all international trade and international borrowing, and it accounts for 57 percent of the reserves held by central banks.

Such a disproportionately important role for the dollar could come into question with the creation of a single currency for "Euroland," the informal name given to the countries adopting the euro — Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain. Euroland has a larger population than the United States, and its gross domestic product is 77 percent the size of the U.S. economy.

The euro is likely to be used instead of the dollar for much of the commerce within Euroland and between the bloc and its major trading partners, such as Britain, Brazil and South Africa.

"The euro's rise will convert an international monetary system that has been dominated by the dollar since

See DOLLAR, Page 13

At Currency's Birth, 3 Proud Fathers

Schmidt, Heath and Giscard Recall a Long and Difficult Gestation

By Craig R. Whitney
New York Times Service

HAMBURG — Twenty years ago, when he was chancellor of West Germany, Helmut Schmidt thought there would be a single European currency by the early 1980s. Instead, he is still carrying around six different kinds of money in his briefcase.

"I always have the German mark, English pounds, French francs, Swiss francs and Italian lire, plus American dollars, but I always end up just using credit cards," laughed Mr. Schmidt, who travels frequently as a publisher of the weekly newspaper Die Zeit.

But now he can write checks in euros, the common currency that 11 countries in the European Union are introducing, almost two decades later

than he and other European leaders had planned. And

Kosovo Combatants Predict Collapse of Fragile Truce in '99

By Peter Finn
Washington Post Service

LAPASTICA, Yugoslavia — Sitting behind a black desk at the Kosovo Liberation Army headquarters here, a 27-year-old rebel commander known as Remi lit his Dunhill cigarettes with a camouflage lighter and issued his grim prediction for 1999.

"In the next year I expect to win and lose a lot of battles," said Mr. Remi, who buried two of his fellow ethnic Albanian soldiers Thursday. "But in the end, we will win the war."

A couple of miles away in the town of Podujevo, Milovan Tomcic, the Serbian mayor, sounded just as bleak.

"I am convinced 1999 will be as hard as '98," Mr. Tomcic said after leaving a meeting in the town hall with local men who have sent their wives and children to other parts of Serbia because of the recent clashes here in the northern part of this Serbian province.

The guns that over Christmas shattered a two-month truce between the separatist ethnic Albanian rebels and Serbian government forces have fallen silent. But after celebratory New Year's

Eve gunfire rang out across Kosovo on Thursday night, there was little optimism on either side that renewed warfare can be avoided.

"I think there has been enough blood spilled and killing," Mr. Tomcic said. "But the situation is very tense, very difficult."

Serbian civilians have fled villages around Podujevo in recent days and local officials have called on the government in Belgrade, capital of both Yugoslavia and its dominant republic of Serbia, to guarantee their security. "We have asked our country to intervene,"

Mr. Tomcic said. The ethnic Albanian Kosovo Liberation Army, which began as a ragtag peasant resistance movement, has after eight months of fighting become a high-tech, mobile guerrilla force, and come spring, it expects renewed conflict.

"The Serbian regime will attack us again," said Adem Demaci, the group's general political representative. "But the KLA has become a sophisticated force. They are working very energetically to prepare themselves."

Near here, on roads bathed in dense fog, the general sense of foreboding

found apt expression Thursday. A column of Serbian tanks and trucks carrying troops moved along the main roads between Prishtina, the Kosovo capital, and Podujevo, 24 kilometers (15 miles) to the north. Serbian police, accompanied by armored vehicles, manned roadblocks at the entrances to Podujevo, which teemed with people who were moving about the streets before nightfall.

Down a small side road, about 180 meters from where the Serbian column passed, rebels wearing black uniforms and carrying automatic weapons and sniper rifles stood guard wary.

And in a stark vista in Prishtina, heavily armed Serbian police moved along the main thoroughfare past children lined up to sit on the lap of a Santa Claus perched under a "Happy New Year" sign.

"I would assess the situation as still tense, but at the moment the agreement is holding," said Sandy Blyth, a spokesman for the Organization for Security and Cooperation in Europe, which negotiated an end to fighting between the parties Sunday after four days of clashes.

About 700 unarmed OSCE personnel have arrived in Kosovo to monitor an October cease-fire agreed to by Richard Holbrooke, the U.S. special envoy, and President Slobodan Milosevic of Yugoslavia.

The full force of 2,000 monitors is expected early this year.

The monitors' orange jeeps were recently visible in this area, sometimes parked down the street from Serbian police checkpoints.

But in the rebel stronghold here, the war that ripped Kosovo apart this summer, leaving more than 1,000 dead and tens of thousands of people homeless, seems only in temporary abeyance. Most victims of the fighting were ethnic Albanians.

For 3 kilometers along a barely passable dirt road, knots of guerrillas, some wearing wool hats with the letters FBI emblazoned across the front, stood on ridges and emerged from abandoned farmhouses toting their weapons.

Further along what at times becomes a track across fields, stood a two-story, cream-colored house, the regional Kosovo Liberation Army headquarters. It was this dwelling that government forces attempted to take in a two-pronged attack Christmas Eve that was repelled.

For days after, the guerrillas and Serbian forces exchanged fire, leaving at least 14 people dead, including Serbian and Albanian civilians.

Each side blamed the other for starting the clashes, but William Walker, the U.S. ambassador heading the OSCE verification mission, said both were spoiling for a fight.

In his second-floor office, Mr. Remi, the guerrilla commander, held forth on the rebels' growing military strength.

"We have everything," said Mr. Remi when asked if the rebels had used 120mm mortars in the recent clashes with Serbs. "And we are getting weapons from everywhere."

He stood up and walked over to the corner of the room, pulling out a hand-held 44-millimeter mortar from under some furniture. "This is from Ireland, Northern Ireland," he said.

Beside him, as he spoke, sat a satellite phone on which he occasionally took calls. Downstairs, the headquarters held computers, fax machines and its own electric generating system. Just outside, off-road vehicles had Kosovo Liberation Army license plates.

Mr. Demaci, the rebels' political representative, said that in recent months the guerrilla group has recruited ethnic Albanians who fought in the Bosnian War and that now 70 percent of its volunteers had military experience — up from 30 percent in the summer.

Mr. Remi said he fought with the Yugoslav Army in Croatia, smiling wryly at the irony of being trained by his enemy.

Gaullist to Form Anti-EU Plank

PARIS — Charles Pasqua, a Gaullist anti-European politician, announced Friday, the first day of the euro, that he would head a list opposing the 1997 Amsterdam Treaty, which strengthens European Union institutions, in this year's European Parliament elections.

Mr. Pasqua said President Jacques Chirac was "departing from the spirit of the institutions of the Fifth Republic" in failing to call a referendum to endorse the accord.

"The French people are thus being deprived of a constitutional prerogative which General de Gaulle accorded it, and this on the day of the disappearance of the franc, one of the constituent attributes of the sovereignty, history and personality of France," Mr. Pasqua said.

France, with Germany and nine other EU members, on New Year's Day adopted a common currency.

Mr. Pasqua, an anti-EU campaigner and former interior minister, said the French would have an opportunity to express their feelings on Europe only at the next elections to the European Parliament, on June 13. "I have decided to ask them to put aside divergences and rally on that day to affirm their liberty as a sovereign people," he said.

In December, Mr. Pasqua resigned as political counselor of the Gaullist Rally for the Republic, the party he and Mr. Chirac founded in 1976.

(AFP)

Havel Makes Plea For Tolerance

PRAGUE — President Vaclav Havel said Friday that nearly 10 years after the fall of the Iron Curtain new walls were dividing Czech society and threatening democracy.

The former dissident said in a New Year's Day speech on Czech television that barriers were emerging between ethnic groups and divisions were appearing in politics.

"We long ago pulled down the great wall which divided us from democratic Europe but equally we tolerate the slow and inconspicuous growth of new walls, no better than those which fell," Mr. Havel said.

He called on Czechs to renew the spirit which brought down totalitarianism in 1989 and strengthen their will to combat evil.

Czech leaders have expressed concern in recent months at a rise in racist incidents, particularly against the Gypsy minority. Mr. Havel last month visited a town where authorities have proposed building a wall between Gypsy families and their neighbors.

(Reuters)

19 Die in Nigeria In Protest Over Oil

LAGOS — At least 19 protesters have been shot and killed in clashes in Nigeria's oil region since an ultimatum to oil companies to leave ethnic Ijaw areas expired, witnesses said Friday.

Militant Ijaw youths alleging pollution and deprivation of wealth demanded oil multinationals leave by Dec. 30, at which time clashes erupted between soldiers and protesters.

One report said eight people were killed in the town of Kafana, while four died near Yenegoa. Seven protesters were killed earlier.

(Reuters)

Ex-Hostages Arrive in U.K. After Nightmare in Yemen

Compiled by Our Staff From Dispatches

LONDON — Nine Western tourists flew into London on Friday night, three days after being freed from their Islamic extremist kidnappers in Yemen in an army rescue that left four hostages dead.

The former hostages, eight Britons and one Australian, flew from Yemen to Britain via Paris with a British tour leader who had escaped when the abduction took place Monday.

With questions still being asked about the heavily criticized rescue operation in which four hostages died, Yemen's ambassador in London was summoned to the British Foreign Office for the second time in two days for talks on just exactly what happened.

A Foreign Office minister, Joyce Quin, paid tribute to the returning hostages, saying: "The whole nation is appalled by the deaths and injuries inflicted on the innocent victims of this week's horrific kidnap in Yemen."

She pleaded for the survivors and their relatives to be given privacy and a time to grieve. Ms. Quin also pledged: "Our efforts continue unabated to establish precisely what happened and to bring those responsible for this atrocious crime to justice."

Officials have said that the British government would be very concerned if it turned out that its advice to seek a negotiated solution to the kidnap saga had been ignored.

A little known guerrilla group calling itself the Aden-Abyan Islamic Army claimed responsibility for the kidnapings and blamed the government for the hostage deaths.

Three Britons and an Australian were

killed in Tuesday's rescue operation. The dead are Ruth Williamson, 34, Peter Rose, 60, and Margaret Whitehouse, 52, of Britain, and Andrew Thirsk, 35, of Australia.

Three other survivors, Mary Quin of New York state, Claire Marston of Britain and an unidentified American woman, remained in Yemen. Ms. Quin was expected to fly out Friday night.

Yemeni officials insist that troops stormed the desert hideout Tuesday because the kidnappers had begun killing their 16 Western hostages — a claim disputed by some of the surviving hostages, who say the kidnappers started killing after the troops opened fire.

Britain has sent four detectives to Yemen and Australia has sent a senior diplomat to press for details on the shoot-out. The FBI was also sending a team to investigate.

Scores of tourists have been kidnapped in Yemen in recent years by tribesmen seeking handouts from the government, but in most cases they have been treated well and released unharmed and until Tuesday no hostage had been killed.

Ms. Quin, 45, told Associated Press Television News that she escaped during the rescue operation by wrestling with a wounded kidnapper for his Kalashnikov rifle.

As the hostages stood in the desert as human shields for the kidnappers, a militant grabbed her by the back of her shirt and put his gun against her back.

"We walked out a few hundred yards," she said, with "the gun at my back. I suddenly felt that the gun was gone. I couldn't feel it against my back.

On Tuesday, Mr. Johnson was flown

back to the United States for a new mission: selling war bonds, exhorting factory workers to greater feats of production and bucking up front-line morale in the face of heavy air-war casualties.

Colonel Gabreski would recall how Mr. Johnson had "phenomenal eyesight."

"There were some guys who just seemed to have an uncanny knack for seeing things before anyone else did,"



BOSNIA VISIT — Defense Minister Alain Richard of France speaking Friday with two French soldiers in Mostar. He paid a one-day visit to troops serving with the NATO-led Stabilization Force.

I looked down and he was lying on the ground behind me, and I realized in that instant that he had been shot."

Ms. Quin said she decided to make a run for it, but recognized that the kidnapper could shoot her.

"So I bent down and grabbed the barrel of the gun that was lying on the ground next to him. He was holding the other end of it. We ended up pulling it off each other for a short time and then I

just kicked him in the face and stamped my foot down on his head and that gave me leverage."

"As soon as I had the gun I just ran as fast as I could toward the soldiers and apparently — I wasn't really conscious of it — the terrorists were firing at me."

Ms. Quin said that when she got close to the troops, they gestured for her to lie down and gave her a thumbs-up signal.

(AP, Reuters)

Robert S. Johnson, World War II Ace, Dies at 78

By Richard Goldstein
New York Times Service

NEW YORK — Robert S. Johnson, 78, a U.S. 8th Army Air Force fighter pilot who shot down 28 German planes in an 11-month span during World War II and then came home to a hero's welcome from President Franklin D. Roosevelt, died Dec. 26 in Tulsa, Oklahoma. He was the second-leading American air ace of the war in Europe.

The cause of death was not immediately known.

Protecting Flying Fortress bombers on their missions deep into Germany in his barrel-nosed F-47 Thunderbolt fighters, Mr. Johnson was the second World War II fighter pilot to break the U.S. record of 26 air "victories" set by Captain Eddie Rickenbacker in World War I. He accomplished that feat when he knocked down two Luftwaffe fighters near Brunswick, Germany, on May 8, 1944, on his final mission.

His squadron commander in the 56th Fighter Group, Lieutenant Colonel Francis Gabreski, was the only U.S. fighter pilot in Europe with more "kills," having shot down 28 German planes and destroyed three more on the ground. Major Richard Bong of the Army Air Force, the first pilot to break Captain Rickenbacker's mark, was the leading American ace of the entire war, downing 40 Japanese planes.

On June 6, 1944, — the date of the D-Day invasion — Mr. Johnson was flown back to the United States for a new mission: selling war bonds, exhorting factory workers to greater feats of production and bucking up front-line morale in the face of heavy air-war casualties.

Colonel Gabreski would recall how Mr. Johnson had "phenomenal eyesight."

London (AP) — Johnny Moore, 64, lead singer of the American pop group The Drifters in the 1960s, has died

in London, news reports said Friday.

Mr. Moore, whose high tenor voice was heard most famously in "Under the Boardwalk," had moved to England after the group had a string of hits in Britain in the mid-1970s. The Daily Telegraph said.

Mr. Johnson, who was born in Lawton, Oklahoma, became fascinated by planes as an 8-year-old the day he perched on his father's shoulders at Post Field near Lawton and watched three World War II fighters perform stunts. "Then and there I changed my goal from cowboy or railroad engineer to army aviator," he recalled.

Remembering his fighter-pilot days, Mr. Johnson once observed: "I was always scared — that was what made me move quick."

Johnny Moore, 64, Lead Singer of The Drifters

London (AP) — Johnny Moore, 64, lead singer of the American pop group The Drifters in the 1960s, has died

Dec. 27 in Ossining, New York.

David C. Adams, 85, a former chairman of the National Broadcasting Co. and member of its board of directors, Dec. 27 in Ossining, New York.

WEATHER

Forecast for Sunday through Tuesday, as provided by AccuWeather.



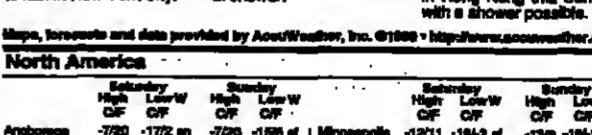
Map, forecasts and data provided by AccuWeather, Inc. ©1998 <http://www.accuweather.com>

North America



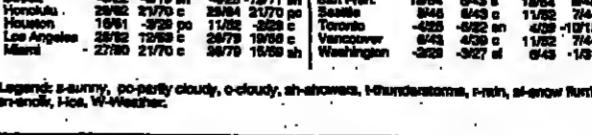
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Middle East



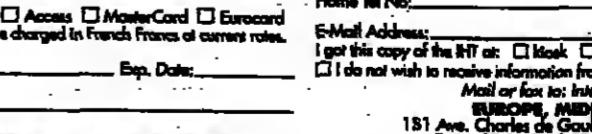
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Asia



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Latin America



Map

Gore Makes It Official: He Will Run in 2000

A Scramble for Campaign Funds Lies Ahead

By Ceci Connolly
Washington Post Service

WASHINGTON — With no fanfare late New Year's Eve, Vice President Al Gore filed papers to officially become a candidate for president in 2000.

The documents filed with the Federal Election Commission formally create the Gore 2000 committee and allow the Tennessee Democrat to raise money, hire staff and campaign across the country.

The move also indicates that Mr. Gore is eager to display what many expect will be his greatest strength in the Democratic primaries: a strong fund-raising machine with the potential to gather money before other contenders can get to it.

Craig Smith, a former White House political director who will be Mr. Gore's campaign manager, said Thursday that it would be foolish to allow potential Democratic candidates, such as Senator Paul Wellstone of Minnesota and former Senator Bill Bradley of New Jersey, to

get a jump on the money-raising contest that is likely to dominate 1999.

"They're on there raising money and we're not," Mr. Smith said, noting that both of those men had taken the preliminary step of forming exploratory committees that allow them to test the waters without going as far as Mr. Gore did Thursday.

Candidates for 2000 need to raise about \$25 million in 1999, according to several analysts. That means collecting about \$68,000 a day every day of this year.

Unlike in previous years, when candidates could use a victory in Iowa or New Hampshire to generate more money, the newly revised primary schedule makes it virtually impossible for campaigns to raise money in 2000. "By the middle of March, for all intents and purposes, the nomination will be almost finished," Mr. Smith said, citing decisions by California, New York and several other states to move up their primaries.

Although Gore aides played down the commission filing, as routine paperwork, the legal step begins a flurry of activity that includes hiring staff, renting an office and scheduling purely political trips that could cost him paid for taxpayer money.

Aides expect the vice president to begin fund-raising trips within the next couple of months. He also will tap the campaign bank account whenever he meets with political supporters outside Washington.

Mr. Gore's likely fund-raising prowess comes with a price. The cautious vice president found his image tarnished in the last campaign by charges that he improperly raised money at a Buddhist temple and personally made solicitation calls from the White House.

Attorney General Janet Reno has twice rejected entreaties to appoint an independent counsel to investigate Mr. Gore's role in the 1996 fund-raising.

Mr. Smith said Mr. Gore was taking extra steps to run a clean money operation. "We've already got lawyers working on guidelines, rules and vetting procedures," he said.

Even in its embryonic state, the Gore candidacy is essentially a traditional front-runner's pitch for the status quo.

Members of the vice president's inner circle have argued for months that in the 2000 campaign Mr. Gore will be the beneficiary of the overwhelming public support for President Bill Clinton — despite the Monica Lewinsky scandal — and the thriving economy.

"The vice president's defense of the president has been something that has cemented his support among the party's base and been a source of support building for him," one Gore political adviser said. "The overall political impact has been to really loyalists to the vice president."

In many respects, Mr. Gore has been running for president since the day Mr. Clinton won a second term. Last year, the vice president campaigned for more than 67 Democrats, participated in 123 fund-raisers and gave \$1.3 million from his own political action committee to Democratic candidates, according to a report prepared by his staff.

In addition to Mr. Bradley and Mr. Wellstone, Senator John McCain, an Arizona Republican, has formed an exploratory committee.

That step enables them to pay for polls, travel and other things that help them decide whether to run. Under election commission regulations, an exploratory committee may not amass money for a presidential campaign.

Several other potential candidates are expected to declare their intentions in the new year, including Senator John Ashcroft, a Republican from Missouri; George Bush, the Republican governor of Texas, the publishing heir Malcolm (Steve) Forbes, former Vice President Dan Quayle and Senator John Kerry, a Massachusetts Democrat.

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Justice Opposes Federalizing Of State Crimes

Washington Post Service

WASHINGTON — De-

manding a fundamental change in America's crime-fighting strategy, Chief Justice William Rehnquist has called on Congress to halt the politically popular practice of enacting federal laws against an ever-greater number of crimes once handled in state courts.

In his year-end report on the federal judiciary, Justice Rehnquist said that the trend toward making crimes once handled in state courts into federal offenses "threatens to change entirely the nature of our federal system."

The chief justice was unusually blunt in questioning the motives behind recently enacted statutes that have made federal crimes out of misdeeds ranging from car-jackings to failure to pay child support. While Justice Rehnquist has occasionally expressed concern about the growing jurisdiction of the federal courts, his new report is by far the most explicit and represents his first formal complaint to Congress on behalf of the federal judiciary.

Legislators and others who follow the courts said the issue appeared certain to frame legislative debate this year. Justice Rehnquist put the blame squarely on Capitol Hill, saying, "Congress has contributed significantly to the rising caseload by continuing to federalize crimes already covered by state laws."

Away From Politics

Police and fire investigators in San Francisco have safely removed an assortment of bomb-making materials, including 250 pounds (115 kilograms) of the type of fertilizer used in the Oklahoma City bombing, from a Pacific Gas & Electric Co. service center and took an employee of the company into custody. (LAT)

Environmentalists who believe low-flying Border Patrol helicopters threaten the survival of a rare type of antelope in southern Arizona have filed a lawsuit charging that the agency failed to provide records on the ecological effects of its activities. (LAT)

New York was not the city that recorded the most killings last year, officials said. Chicago had more homicides — 697, compared with New York's 628. (NYT)

A self-employed accountant was arrested and charged with claiming anthrax had been released in U.S. Bankruptcy Court, one of nearly two dozen such scares in Southern California over the past several months. (LAT)

An airline industry group issued a crime alert to Southern California travel agents amid a string of armed robberies in which gunmen have made off with thousands of blank tickets. (LAT)

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International Herald Tribune

In Address, Pope Recalls Horrors and Triumphs

Compiled by Our Staff From Dispatches

VATICAN CITY — Pope John Paul II stopped on the threshold of the new century to look back on the old one, speaking on New Year's Day 1999 of the death camps and world wars of the 20th century.

Hope for the next 100 years was found in the lessons of the ones gone, he said, particularly in the respect for fellow man enshrined in the Universal Declaration of Human Rights that followed World War II.

The pope spoke to thousands filling St. Peter's Basilica for his first Mass of the new year. Thousands more crowded the vast square outside.

"When we look at the events of this century that is coming to an end, there are before our eyes two world wars: graveyards, tombs of the fallen, families destroyed, weeping and desperation, misery and suffering," he said. "How can we forget the death camps, the children of Israel cruelly exterminated, the sacred martyrs: the Reverend Maximilian Kolbe, Sister Edith Stein and so many others?"

Edith Stein was a Jewish-born nun who died in the gas chambers of Auschwitz, as did Kolbe. The pope put Stein on the road to sainthood in October.

John Paul, 78, had seen much of the suffering he described: The smoke from the chimneys of Auschwitz was visible from the foot-hills around his boyhood home in Poland.

But the pope, who walked down the aisle of the vast packed church with a pronounced stoop and looked weary during the 90-minute

service, also lauded progress on human rights. "Our century is also the century of the Universal Declaration of Human Rights, which recently celebrated its 50th anniversary," he said. The human rights accord was reached in 1948, spurred by the atrocities of World War II.

"I wanted to remind that the secret of true peace is in respect of human rights," the Pope said. "The recognition of the innate dignity of all members of the family of man," he added, "is the foundation of liberty, of justice and of world peace."

The two-hour Mass was one of the final events of the holiday season, which ends Jan. 6 with Epiphany. After the service, the pontiff slowly weaved from side to side among the patches of sunlight on the long aisle of the basilica, touching the tips of his fingers to the outstretched hands of worshippers on both sides of the row.

Later, his voice surged when he spoke to the throngs waiting outside after the Mass: "Happy New Year, everyone!"

The Pope later addressed visitors in a sunny St. Peter's Square.

He recalled his own 20-page message for the World Day of Peace, called "Respect for Human Rights: the Secret of True Peace," which he sent to heads of state before Christmas.

Doctors have urged the Pope to slow down following a 1996 appendix operation, but he has shown little sign of curtailing his schedule as he leads the Roman Catholic Church toward the Holy Year in 2000. (AP, Reuters)



Pope John Paul II, left, blessing a child during his New Year's Day Mass in St. Peter's Basilica.

Riots Mar Festivities in Europe

New Year's Crowds Provide Dress Rehearsal for 2000

Compiled by Our Staff From Dispatches

PARIS — Street riots in a few cities marred an otherwise festive New Year's Eve in Western Europe, which also ushered in a new common currency for most countries at the stroke of midnight.

Some of the worst clashes were reported in the eastern French city of Strasbourg, where police arrested 19 youths after rioters set fire to 43 cars, stoned police patrols and destroyed several telephone booths and bus shelters.

In nearby Mulhouse more than 20 cars were burned, while on the western side of the country, 12 cars were set on fire by youths in the city of Nantes. Six cars were set alight in Bordeaux, and cars also were destroyed in the suburbs of the southwestern French city, the police said.

Rioting in tough, underprivileged French suburbs has been a feature of recent New Year's Eves.

In Leipzig, in Eastern Germany, six police officers were injured in clashes with youths who set up street barricades, threw stones and looted a supermarket, the police said.

Elsewhere, hundreds of thousands of people celebrated peacefully.

About half a million people filled the Champs-Elysées in Paris, a similar number to the previous New Year but well below the 1.5 million who packed the avenue to celebrate France's World Cup soccer victory in July.

In Berlin, more than 400,000 gathered around the central Brandenburg Gate to greet the year that will see the city become the capital of Germany once again.

An hour before midnight, police blocked access to the Pariser Platz in front of the gate

and checked revellers to ensure that they had no fireworks. Several dozen people were injured in explosions last year.

Several thousand people also celebrated in Weimar as the town, the birthplace of Goethe, took over from Stockholm as the official cultural capital of Europe.

Revellers celebrated the arrival of 1999 with street parties across Britain, the biggest being in Edinburgh, where some 200,000 turned out for a fireworks display over the castle, followed by a lone piper.

In London, 100,000 people converged on Trafalgar Square to see in the New Year to the chimes of Big Ben, despite much of the area being cordoned off as the police tried to avert a crush.

Around 60,000 turned out in the central city of Birmingham, another 30,000 in Newcastle in the northeast and 20,000 in Cardiff.

Thousands of Spaniards celebrated in the rain on Madrid's central Puerta del Sol square, consuming the traditional 12 grapes in the 36 seconds it took the City Hall clock to strike midnight. The tradition dates back only to 1909 and was introduced to encourage people to consume grapes because of over-production.

In Frankfurt, the home of the European Central Bank, fireworks were set off and several banks lit up their office windows to form a giant E to greet the arrival of the euro.

Officials in all major cities said they saw the events this year as a dress rehearsal for the celebrations at the end of this year, when many times more people are expected to take to the streets. (AP, Reuters)

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No Holds Barred as Netanyahu's Character Takes Over as Issue in Israeli Vote

By Deborah Sontag
New York Times Service

JERUSALEM — Israelis joke that their country is a country of 6 million people, 6 million cell phones and now, 6 million candidates for prime minister.

Every time Prime Minister Benjamin Netanyahu turns around, he faces a potential new rival, not from the left but from his own conservative camp — even from his own cabinet, after Environment Minister Rafael Eitan on Wednesday became the fourth rightist candidate to throw his hat into the ring.

Already, the campaign feels like a public family feud, and political experts are wondering whether it is wise to subject the country to a five-month campaign.

"It's difficult to justify the two big parties' intention of postponing elections until May," Yosef Lapid wrote in the newspaper Ma'ariv. "It is in the national interest to finish this matter quickly, efficiently and elegantly."

Israeli law dictates that when a government fails, it must be replaced within 60 days. But Mr. Netanyahu has been drawing fire from the opposition Labor Party, which struck a deal to dissolve rather than topple the government, allowing them to negotiate an election date, now set for May 17, with a probable runoff on June 1. The date is still subject to approval by Parliament.

During this period, the national budget, secular-religious relations, the war in Lebanon and the Israeli-Palestinian peace effort will hang like punch-

ing bags in the election free-for-all. That is not to say that this has started out as an issues-oriented race. So far, the only lightning rod for debate has been Mr. Netanyahu's character, and all gloves have been off.

But the major issues cannot be frozen in time, and so decisions will be made by a government in the midst of a slow-motion dissolve.

For months, as Mr. Netanyahu's government was teetering, the threat of being toppled hung over the prime minister's every move. Last week, when he cast one of 81 votes to disperse the government, the situation had reached farcical proportions: there were three different bills on the floor, each with a separate no-confidence motion attached

by a different faction. It was legislation by blackmail: Pass this bill or we bring down the government.

Now, the threat would seem to be moot, but the bartering continues, in the context of the campaign. For instance, the head of Parliament's Finance Committee, knowing that most candidates want to woo religious Jews, is promising to hold budget legislation hostage by tying it to an issue important to strict Orthodox factions.

Avraham Ravitz, the Finance Committee chairman and head of the United Torah Judaism faction, said he would not bring the budget legislation to its next reading until Parliament approves a bill that in effect bans Reform and Conservative Jews from serving on the country's all-powerful religious councils.

The bill, which is an attempt to circumvent a high court order to integrate the religious councils, passed by a thin margin, on its first reading Monday night, drawing fierce criticism from Reform and Conservative Jewish leaders here.

For Mr. Netanyahu, the race is between him and "the left," a term he uses

as a slur and has so far attached to three

fairly middle-of-the-road establishment

figures — Ehud Barak, the Labor Party

leader and former army chief of staff;

Amnon Lipkin-Shabak, another former

chief of staff, who is expected to an-

nounce his candidacy as a centrist next

week; and Dan Meridor, of the Likud

Party, who defected last week to run as a

centrist candidate, too.

But it is the vicious internal combat

Congo Rebels Shifting Headquarters

Insurgents Hope to Bolster the Meager Popular Support for Uprising

By Ian Fisher
New York Times Service

KISANGANI, Democratic Republic of the Congo — This city at a bend in the Congo River will soon become the new rebel headquarters, in a move that concedes a reality no one bothers to hide anymore: The rebellion may control ever-growing chunks of Congo, but it remains deeply unpopular with the people.

It is not hard to see why. The other evening Sadiki Tabou, 33, who washes cars for a living and does not make much anyway, was reduced to planting a table-sized plot in an incongruous place: next to Kisangani's port, which has been closed since the rebellion began in August and is thus empty of the flour, dried fish, salt and oil that normally float up the river in huge barges.

"I would like to get some work and eat two times a day," Mr. Tabou said. "But that's not happening."

The rebels' move to Kisangani — closer to the center of Congo than their current headquarters in Goma at the far eastern border — is just one step they hope will help win the hearts and minds of the Congolese. Their failure to gain much support after nearly five months, they increasingly acknowledge, has weighed down their drive to overthrow President Laurent Kabila, who took office in 1997 after a similar

war and is not very popular either. In fact, the rebel leader Ernest Wamba dia Wamba has been pushing for a negotiated settlement to the war — in part because he says he is worried that certain elements of his own rebellion, particularly soldiers, might forget their promises of democracy if they won by military might alone.

"There will be these limitations of the victors feeling like they are the bosses, and nobody else should be around," said Mr. Wamba dia Wamba, president of the Congolese Rally for Democracy. "For us, the important thing, the crucial thing, is political victory."

Though the rebels tried at first to minimize their popularity problems, there has been no hiding it. They tried early on to reach out to student groups and tribal leaders in the territory they now hold — perhaps a third of the country — with minimal success.

That failure, some experts say, has irritated Uganda, which along with Rwanda is backing the rebels with troops and other military support. There is much speculation that Uganda has become friendly with a second rebel group, led by Jean-Pierre Bemba, a businessman and son of one of the richest men in Congo, looking to broaden the appeal of the drive to overthrow Mr. Kabila.

Mr. Wamba dia Wamba, who has been hostile to the idea of a second rebel

force, said his group planned to repair the road from Kisangani to Bunia, 350 kilometers (240 miles) northeast and across Lake Albert from Uganda. That would provide work as well as create a route for goods that have stopped coming upriver and now must arrive by air. He said the rebels also were planning sanitation projects, mostly to provide clean water.

The rebels have also been reaching out to other groups opposed to Mr. Kabila. They appear to have forged a deal with a fierce but fickle faction in eastern Congo: the Mai-Mayi, a loose group of perhaps thousands of warriors who have fought both for and against Mr. Kabila.

Serge Mukendi, secretary-general for the Workers and Peasants Movement of Congo, which purports to represent a large faction of the Mai-Mayi, said the rebellion needed to persuade people that it was a genuine force of Congolese hungry for deep change.

"We need to clean it — dry and sunshine — so it will smell good again," said Mr. Mukendi, who added that he had once worked as an organizer at a hospital union in New York.

He said that until now the rebellion had been too tightly associated with its foreign backers, especially Rwanda. Rwandans are strongly disliked in much of Congo, partly because of hostility to the Tutsi ethnic group, which governs

More concretely, Mr. Mukendi said, many people hold Rwandan soldiers responsible for much of the killing in the rebellion that brought Mr. Kabila to power. In that fight the Rwandans and Ugandans backed Mr. Kabila the same way they are backing his opponents now.

Mr. Kabila has bolstered his popularity by casting the rebellion as an invasion by forces from Uganda and Rwanda. That widespread view has helped draw in still more foreign soldiers — from Zimbabwe, Angola, Namibia and Chad — to defend Mr. Kabila's government.

Here in Kisangani it is far from clear that the rebels' plans are ambitious enough to win them much support. Timing is part of the problem. The city, which residents say was looted when Mr. Kabila took power, is not happy about another war. In addition, it was easier for Mr. Kabila because he was fighting Mobutu Sese Seko, who had ruled the country, then called Zaïre, for 32 years.

"The first war," Mr. Wamba dia Wamba said, "all you have to do is say, 'Mobutu has to go.' Everybody says, 'Hooray.' But the second war you say, 'Kabila has to go,' and they say, 'Why didn't you give him a chance?'

Perhaps most important though, the war has brought tremendous hardship to Kisangani.

Commerce has all but halted. Food prices have soared. Medicine is hard to come by, said Dr. Soki Um-Lay, 42, medical director of the Kisangani public hospital. He recently led a tour of the grounds, passing first through a ward with 30 children suffering from malnutrition, an affliction that he said had started only with the current rebellion.

Several were soldiers' children. He stopped in intensive care to talk with Garcon Mbale, 34, a former domestic worker who had wasted away to near nothing and looked away when asked what was making him sick.

Dr. Um-Lay said the doctors at first assumed Mr. Mbale had AIDS.

"We tested him, and he doesn't," he said. "All he needs is food."



RAMADAN'S END — Two men flashing a victory sign as they joined worshipers leaving the Temple Mount in Jerusalem after prayers Friday marking the end of the Muslim holy month.

Threat Shuts U.S. Embassy in Israel

The Associated Press

TEL AVIV — The closure of the U.S. Embassy in Tel Aviv came in response to a warning about a possible attack on the compound relayed from Washington and not because of a threat delivered locally, an Israeli security source said Friday.

The embassy was shut down Thursday, and an embassy spokesman, Larry Schwartz, said he did not know whether it would reopen Monday.

Mr. Schwartz said earlier that the closure came after the U.S. ambassador, Edward Walker, received a "direct and credible" threat against the facility. The Israeli police heightened security, posting additional officers around the beachfront property on the Mediterranean Sea.

Mr. Schwartz refused to elaborate on the nature of the threat, but said the closure was in line with "actions the U.S. government has taken in recent weeks in light of the heightened general threats in the region."

An Israeli security source said the warning about a possible attack on the

Tel Aviv compound was relayed by the U.S. State Department in a cable and not delivered locally in a phone call, as Israeli media have reported.

Israeli media have raised the possibility that assailants plotted a car bomb attack. On Thursday, Israeli and U.S. security officials peeked into the windows of cars in the embassy parking lot, but did not conduct thorough searches.

First Security Closure

William A. Orme Jr. of The New York Times reported earlier:

It was the first time that the U.S. Embassy in Israel had closed its doors for security reasons, officials said.

Children and other dependents of U.S. Embassy and consular personnel in Israel were ordered out of the country by the State Department during the four-day bombing campaign against Iraq in December. The evacuation order has been lifted, but many families remain abroad.

The U.S. Embassy in Cairo was recently closed temporarily after receiving threats linked to U.S. action against Iraq,

and Mr. Walker's decision to close the embassy here Thursday should be seen in the same "regional context," Mr. Schwartz said.

The State Department has kept its foreign missions in a state of alert since the Aug. 7 bombings of the embassies in Kenya and Tanzania killed 224 people and prompted air strikes against Sudan and the Afghanistan compound of the Saudi exile Osama bin Laden. The security concerns increased as protesters throughout the Middle East condemned December's military action against Iraq.

On Dec. 24, the State Department said it "continues to receive reports that make us concerned about the safety and security of both official U.S. government and civilian targets."

"We take these threats seriously and the U.S. has increased security at United States government facilities worldwide," the department said. "A number of our posts have temporarily suspended or limited services to the public, and may have to do so in the future."

CLINTON: Senate Republican Leader Walks Political Tightrope

Continued from Page I

self as to which way to raise hell."

Connie Cochran, executive director of the Mississippi Republican Party, said many voters had called headquarters to complain that because of Mr. Lott's speech, there may be no full-scale examination of the charges against Mr. Clinton.

Gary Bauer, head of the conservative Family Research Council, simultaneously criticized Mr. Lott while giving an indirect boost to his own prospective Republican presidential bid: "I've been concerned overall about a lack of leadership in the party for some time now. I think the vacuum left by Ronald Reagan has never been filled both in commitment to ideas and in courage in pushing against the tide."

In Mr. Lott's political calculus,

however, the irritation of Mr. Bauer and Mr. Reed are far outweighed by the need to protect the re-election prospects of such Republican senators as Rod Grams of Minnesota, John Ashcroft of Missouri, Rick Santorum of Pennsylvania, Spencer Abraham of Michigan and James Jeffords of Vermont.

Partisans on both sides of the aisle pointed out that these and a number of other Republican senators up in 2000 face re-election in states where Democratic challengers could capitalize on impeachment proceedings.

"He is acting in behalf of his most immediate constituency, his 55 Republican senators. He is acting as leader of his own party," a senior Democratic Senate aide said. In the states likely to have close races for Republican incumbents, impeachment "is not a popular position with general election voters."

The aide contended that conservatives and strong Republican partisans "can't

hold a grudge when at the end of the day you have some vote that a member will be accountable for."

Senator Mitch McConnell, Republican of Kentucky, incoming chairman of the Rules Committee, defended Mr. Lott.

"He views his role here as majority leader of the whole Senate," Mr. McConnell said. "Almost no one is viewing this as a partisan exercise."

In fact, one Senate source close to the negotiations over impeachment proceedings contended that one of Mr.

"He views his role as majority leader of the whole Senate. Almost no one sees this as a partisan exercise."

Lott's goals was to prevent a repetition of the kind of battle that turned impeachment into a partisan war in the House: "He looked back on the House and said, 'There but for the grace of God go we.' We have other business to conduct and the Senate is a very personal place. If a bitter partisan divide is implanted in the Senate, it's very tough to dislodge and no business can get done."

Not all impeachment hawks were critical of Mr. Lott. One Republican poll taker, Bill McInturff, said: "It's simple. In the Senate, it takes a two-thirds vote. If there is never going to be a two-thirds vote, then there is a calculation just how long do you want to pursue" a trial to remove Mr. Clinton from office. "If it was just a majority vote in the Senate," he added, "we would be having a very different conversation."

When Mr. Lott became majority leader in March 1996, he signaled the start

of a sober, nonconfrontational period. "In '95, we were new, we were exuberant, we were excited, maybe a little out of control," he said. "Now, everything is different." He added: "We are not going to look for a reason to fight. We're going to look for a way to get things done."

This kind of thinking has continued, influencing his current posture on the impeachment proceedings in the view of a number of people. One Democrat noted, "Lott has been the one who had to deal with the catastrophes wrought by the House, beginning with the government shutdowns. His solution was to make deals and pass legislation."

In this assessment, Mr. Lott's emphasis on passing legislation in 1996 to counter the image of the Republicans generated by the 1995-96 government shutdowns was crucial to Republicans' success in holding their House majority.

A Republican familiar with Mr. Lott's thinking said: "He is not inclined to blow up the place" over impeachment. "It's not in the Senate's interest or in the party's interest to do that."

For Mr. Lott, the crucial political test will be working out the details of an impeachment proceedings strategy that can win majority support from the Republican caucus. Few believe he would try to impose rules governing the trial with just a minority of Republicans allied with the 45 Democrats. But a number of sources noted that prospects for getting a majority of Republican senators to agree to his plan look reasonably good. They pointed out that only a small number of senators have staked out hard-line positions demanding a full-scale impeachment, suggesting that Mr. Lott may not encounter intractable opposition.

Iraq Safeguarded Missiles, Report Says

By Joseph Fitchett
International Herald Tribune

PARIS — Iraq remains well supplied with surface-to-air missiles to fire at U.S. and British warplanes, according to a published report, because Iraqi commanders turned off their missiles' guidance radars during Operation Desert Fox and thereby saved these systems for use against patrolling planes in isolated attacks of the sort that occurred twice last week.

In what appeared to be the equivalent of sniper fire, Iraqi batteries of SAM-2s, SAM-3s and SAM-6s — all of which exist in mobile versions — can aim and fire hastily at F-16s and other U.S. fighter-bombers with low risk unless they are escorted by electronic warfare planes designed to swiftly pinpoint enemy air defenses. These SAM batteries, originally supplied by Russia, have been updated in many cases with Iraqi-engineered electronic components that change their characteristics enough to make them harder to detect initially.

Iraq's air defenses were only targeted to the extent needed to disrupt command-and-control systems or approaches to the industrial and political sites that were the major target in Desert Fox, which saw U.S. and British warplanes hit 100 targets with precision-guided weapons, including roughly 425 cruise missiles — 100 more than the total used in the Gulf War in 1991, according to official U.S. figures.

Desert Fox consumed enough of these stand-off weapons to dent air force and navy stocks and to cause a "potential problem" for the Pentagon, according to officers cited in the current issue of Aviation Week & Space Technology, a U.S. magazine.

No operational shortage seems likely, however, because the United States has several hundred air-launched cruise missiles and several thousand naval Tomahawks, according to the American Federation of Scientists, an independent research institute in Washington.

The air-launched cruise missiles are adapted versions of a stand-off weapon

Impasse Between UN and Taliban Is Blocking Relief Efforts

By Barbara Crossette
New York Times

UNITED NATIONS, New York — A hardening of positions by the United Nations and the group that controls most of Afghanistan is crippling efforts to resume international relief work there, officials from both sides say.

Stalled talks with the Taliban, the militant Islamic movement that rules more than 90 percent of the country, mean that almost no significant work in vital areas like health and reconstruction from more than 20 years of civil war can take place in the country, which has now fallen under the grip of winter.

The United Nations Children's Fund said this week that education in Afghanistan had all but ground to a halt, with nearly 9 of every 10 girls and 2 out

of 3 boys not in school. Unicef also said that 257 of every 1,000 children die before age 5, the fourth-worst rate in the world. Other relief groups say that hospitals have run out of medicine and other essential supplies, while inflation has driven up the price of food.

The dispute with the Taliban boils down to this: The United Nations, which withdrew all of its foreign workers four months ago, will not return until it has firm security guarantees for its staff. And the Taliban will not allow other activities by the international organization — such as human rights investigations — until the United Nations reopens its offices in the capital, Kabul.

In August, the United States carried out missile attacks on training camps in Afghanistan run by a Saudi-born militant, Osama bin Laden. The United

States has linked him to terrorist activities against U.S. targets, including its embassies in Kenya and Tanzania.

After the attacks, an Italian military officer serving with the United Nations was killed in Kabul, apparently in retaliation. The United Nations is demanding that the Taliban account fully for that killing and prosecute the attackers, and also that it solve the mystery of the earlier killings of two Afghan workers attached to the World Food Program in Jalalabad.

Abdul Hakeme Mojahid, the Taliban's representative-designate at the United Nations, said in an interview Tuesday that his government had "done a lot of work in this regard." Shortly after the killing of the Italian officer, Taliban authorities arrested two Pakistanis and charged them, he said.

"We have these two convicts and we have been investigating them," Mr. Mojahid said. "So far they didn't admit anything. We gave some information to the UN, but they didn't consider that it was enough."

He said that the Taliban wanted to interview a French officer who was wounded in the attack to determine if he could identify the suspects in custody, but that its request had gone unanswered. Mr. Mojahid said that the United Nations had also rejected as inadequate the information gathered on the attack on the two local relief workers in Jalalabad, a generally lawless city where kidnappings and shootings are frequent.

In November, the UN secretary-general, Kofi Annan, recommended that the United Nations send human rights investigators to Afghanistan to look into

accusations of massacres of Taliban troops in 1997 by opposition forces near the northern opposition stronghold of Mazar-i-Sharif.

The investigators were also to look into reports that forces allied to the Taliban, if not the organization itself, had in turn killed an unknown number of civilians and opposition fighters in the same region this year, when the Taliban recaptured the area. Human rights groups have relied on reports from people who fled the area, who were largely supporters of enemies of the Taliban.

The United Nations also wants to investigate how a number of Iranian diplomats and journalists were killed in Taliban military operations this year. The Iranians had supported Shiite, ethnic Hazara militias that were overrun by the Taliban.

India Detais 45 for Attacks On Christians

Reuters

AHMEDABAD, India — The Indian authorities said Friday they had detained 45 Hindus in connection with attacks on Christians in the western state of Gujarat.

No fresh violence has been reported since Wednesday, but parts of the state where church activists and Hindu organizations have traded accusations remained tense Friday.

Authorities said they were rounding up those behind the violence.

Four nuns and two priests were injured Wednesday when mobs set fire to a Catholic prayer hall, the 10th reported attack on the Christian community since Christmas Day.

Christians make up about 2 percent of the 960 million people in politically secular India. More than 80 percent of the population are Hindu.

No one has claimed responsibility for the attacks, but Christian activists blame rightist Hindu extremists.

Hindu activists, including the Vishwa Hindu Parishad, or World Hindu Council, deny involvement. But the Vishwa Hindu Parishad has said it wants an end to what it says are forceful religious conversions.

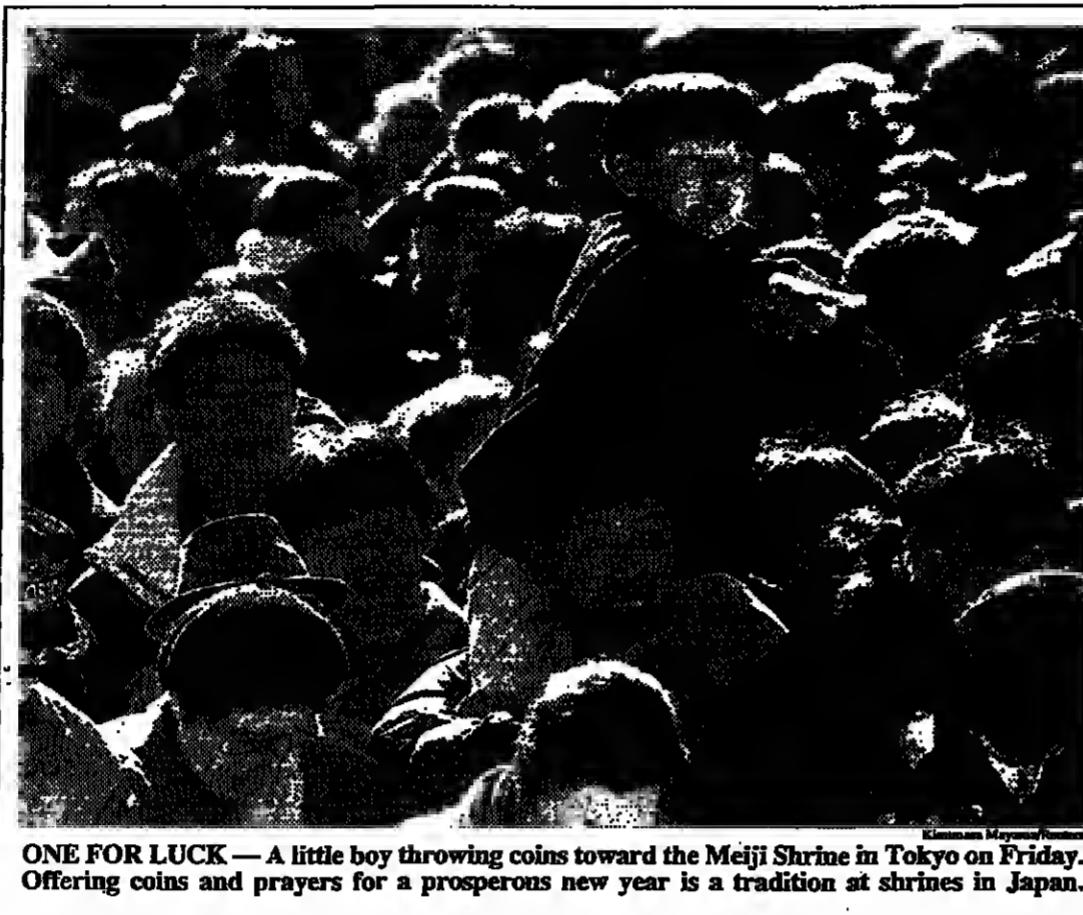
Christian missionaries say they are only offering charity to the poor in remote areas.

Defense Minister George Fernandes was quoted Friday as saying in the Times of India that he saw the anti-Christian violence as a potential threat to the government.

"I see a great danger to the government," he said, "because if the organization which are associated with any of the parties in power get into situations where the constitution is challenged, then the government runs into trouble."

The Hindu nationalist Bharatiya Janata Party, which leads the coalition government, is widely seen to be co-opted to the Vishwa Hindu Parishad. Both are seen as products of an ideology championed by Rashtriya Swayamsevak Sangh, a Hindu volunteers' group.

The Bharatiya Janata Party has come under fire for its perceived links with the Vishwa Hindu Parishad.



ONE FOR LUCK — A little boy throwing coins toward the Meiji Shrine in Tokyo on Friday. Offering coins and prayers for a prosperous new year is a tradition at shrines in Japan.

Honduras Scales Back Death Toll From Hurricane

By James C. McKinley Jr.
New York Times Service

SAN PEDRO SULA, Honduras — Two months after a hurricane mauled this country, it is still unclear how many Hondurans died in the storm, but the government has been forced to retreat from its earlier conclusion that at least 7,000 people perished.

Officials here acknowledge that their initial death tolls, gathered from plucked local officials in the chaotic days just after the storm, were riddled with inaccuracies.

In some cases, local officials assumed that hundreds had died because entire neighborhoods had been destroyed, but later learned that the vast majority of villagers in those places had sought higher ground and survived.

In early December, the government cut its official death toll from the storm by close to a quarter — from 7,007

down to 5,657 — and suspended the governor of Santa Barbara Province for allegedly inflating the casualty numbers in that state.

The accuracy of even the smaller figure is in doubt, however, because it includes at least 2,600 deaths reported by distraught family members but never confirmed, said the man in charge of the government's numbers, Arturo Corrales. Even the 3,000 confirmed deaths were not based on a body count.

The hurricane moved across Honduras in late October and early November, dumping record amounts of rain as it disintegrated and causing widespread flooding across the country. Though the winds quickly abated, floods and landslides wiped away parts of many towns and villages and severed communications and wrecked the road network.

With journalists raising questions about the death toll and with international donors pumping hundreds of mil-

lions of dollars in disaster relief into Honduras, President Carlos Flores Facusse has ordered a review of all damages attributed to the storm. More than 250 medical and engineering students have been enlisted for the review and are being trained to conduct a survey in the worst-hit towns.

With help from United Nations human rights workers and equipment provided by the United States, the students are fanning out in small groups to try to compile accurate assessments not only of deaths but also of damage to crops, roads and bridges, officials said. Mr. Flores has promised that they will complete the survey and that the government will produce an accurate count by the middle of this month.

In mid-December, the mayors of small towns and villages were called to emergency meetings in regional capitals to discuss the death toll. The government has ordered these officials to compile new lists of the dead and missing, complete with names.

"We want to straighten the numbers out because there is no excuse not to have the right numbers anymore," said

Colonel Jorge Andino Almendares, who is overseeing the government relief operation in the northeastern part of the country, one of the hardest-hit areas, after meeting Dec. 16 with more than 40 local mayors in San Pedro Sula.

But even in the absence of a complete study, it has become clear that the initial estimates of the dead were not supported by a count of bodies.

In the municipality of El Progreso, in Yoro Province, for example, local officials at first reported that at least 100 people had died in floods and landslides in their jurisdiction, which includes about 54 villages along the Ulua River. That figure is still being used in the official tally for the northern region that military officials are keeping at the disaster relief headquarters in San Pedro Sula.

But in recent interviews, disaster officials in El Progreso conceded that the figure had been a rough estimate. They said they had confirmed 17 deaths at the most — 9 members of one family who were buried on a remote hillside in the town of Las Minas and 8 people drowned in various places in the district.

BEANS, BEANS, BEANS By Rich Norris

ACROSS	67 Staff, hot drink	68 Puff	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466	467	468	469	470	471	472	473	474	475	476	477	478	479	480	481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500	501	502	503	504	505	506	507	508	509	510	511	512	513	514	515	516	517	518	519	520	521	522	523	524	525	526	527	528	529	530	531	532	533	534	535	536	537	538	539	540	541	542	543	544	545	546	547	548	549	550	551	552	553	554	555	556	557	558</

y Avalanche
uit Village

PAI ... At least 25 killed and 25 injured were wounded on an avalanche in the Swiss Alps on New Year's Day. Four others were missing.

Aanche crashed into a building, killing at least 10 people. Some 100 meters high, it was still missing.

Walls crumbled through snow that had been laid down by 800 meters tall, trying to stop people from falling. It was that 17 of the injured were treated in serious condition.

**Lent Proclaim
Labor Party**

Dissidents in China to form an independent party, despite a crackdown at other dissident groups. One activist said Friday he was the first to get out, but still missing.

It is not every day that a stained-glass window is installed in a house of worship in New York. At Marble Collegiate Church on Fifth Avenue, the people of Marble Collegiate Church on Fifth Avenue watched and applauded as a dark veil dropped to the floor, revealing glacier-blue skies and crimson tongues of fire in a shimmering new 22-foot-high stained-glass window.

"Like painting in the air with colored light," the donor of the window, Robert Ryneveld, told the congregation. And the theme of luminousness suffused the service, from the introit ("Arise, Shine") to the closing hymn ("I Want to Walk as a Child of the Light").

It is not every day that a stained-glass window is installed in a house of worship in New York. At Marble Collegiate Church, it is

barely every century. The last one, by Louis Comfort Tiffany, was dedicated in 1901.

But there is much newly brilliant glass to admire around the city.

Restoration projects have reclaimed dozens of darkened and damaged windows by such masters as Tiffany, at Congregation Shearith Israel on the Upper West Side; John La Farge, at Judson Memorial Church in Greenwich Village, and William Jay Bolton, at the Church of St. Ann and the Holy Trinity in Brooklyn Heights.

St. Bartholomew's Episcopal Church on Park Avenue is restoring eight windows made in northern France in the late 16th century, long before there was a St. Bartholomew's — or an Episcopal Church, for that matter.

Two of the windows, which were given to the church in 1953 and placed in the auditorium, are on display in the Gallery at the American Bible Society, Broadway and 61st Street, as part of the exhibition "Glory in Glass: Stained Glass in the United States," which runs until Feb. 16.

And what better time to appreciate stained-glass windows than in winter? They are a tonic for December's monochrome, with luscious palettes that wash dark corners in glowing strokes of light, their hues blending like a medley of wildflower fragrance.

At noon, the cavernous Gothic nave of St. Ann and the Holy Trinity on Mott Street begins to sparkle. Rays from the clerestory windows stipple the fruits and vines of the column capitals with purples, greens and golds. In a clearing at the west end of this flamboyant architectural forest is a Mediterranean-blue sky visible in the tracery web atop the 40-foot-high (12-meter-high) chancel window, back after a four-year restoration.

Across the East River, as the sun hits the east side of the Judson Church on Washington Square South, certain colors in La Farge's profusion of opalescent glass seem to leap to the foreground, like French horns slicing through the sound of a symphony orchestra.

At one moment, it is the gold on the edge of the Scriptures held by St. Anthony. At another, it is the scarlet in the legs of St. George, whose limbs are rendered as intricately as in anatomical diagram. A counterpart to the dazzling is the grape-and-violet robe of St. Peter, so lush in the layering of purples that it looks as if it had been cut from velvet rather than glass.

Judson's windows, installed from 1892 to 1915, are together in place for the first time in a decade. Weakened and buckling, they had been removed one by one and stored. The church simply did not have the \$1 million needed to restore them.

But in 1994 Judson was bequeathed \$300,000 on the death of its administrator, Arlene Carmen. The senior minister, the Reverend Peter Laarman, proposed using the money as a down payment toward restoration. "We owe it to the city and our successors to bring those windows back," he said.

"They're too good to have in the basement in crates."

Support came from the Henry Luce, the Vincent Astor and the Paul and Klara Poritz foundations. The New York Landmarks Conservancy gave \$7,500 as part of its Sacred Sites Program, which has made grants totaling \$154,125 to stained-glass projects around the state.

"There are lots of things that need fixing in churches," said Peg Breen, the conservancy's president, "but stained glass really resonates with people."

It is that resonance that appealed to Laarman. "I never cast this project as prettifying," he said. "I cast it in terms of the human spirit. I think the expansive spirit of the creators of this space can touch people in lots of contexts apart from worship."

Judson was intended from its origin as a place with a social mission. But it is also a glorious place, designed by Stanford White and ornamented by La Farge, who thought of opalescent windows as a "form of translucent mosaic."

La Farge produced 15-foot-high windows resembling arched niches, with individual saints framed by pilasters. In a smaller round window is an "Angel in Adoration," said to have been modeled on La Farge's mistress, Mary Whitney Lawrence.

The last windows to be restored returned in October from the Gumminger Studio in North Adams, Massachusetts. The vice

Stained Glass In a New Light

New York Windows Are Revived

By David W. Dunlap
New York Times Service

*The people who walked in darkness
have seen a great light.*

—Isaiah 9:2

NEW YORK — After hearing this scriptural reading on a recent Sunday morning, the people of Marble Collegiate Church on Fifth Avenue watched and applauded as a dark veil dropped to the floor, revealing glacier-blue skies and crimson tongues of fire in a shimmering new 22-foot-high stained-glass window.

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ART

The Extravagant Raffles

An Exploration of a Man's Encyclopedic Curiosity

By Souren Melikian
International Herald Tribune

LONDON — How English writers of the 1800s missed this one is inexplicable. The extravagant story of Stamford Raffles, the man largely responsible for the creation of Britain's Far Eastern empire, is worthy of a picaresque novel. It certainly inspired the oddest exhibition yet staged at the British Museum.

Ranging from watercolors of Javanese sites in the 19th century to early Buddhist bronzes and grimacing wooden dolls evocative of the shadow theater that are unique of their kind, to say nothing of rare dried plants and the odd deer-mouse skull, "Stamford Raffles and the East," on view until April 19, is a new genre unto itself.

If nothing else, it mirrors Raffles's unconventional personality, including his perennial yearning to learn, cruelly thwarted in his youth by dire poverty.

Born in 1781 off Jamaica, aboard a ship of which his father was captain, Raffles — so prone in later life to write about every subject close to his heart — barely breathes a word about him and says little more about his childhood except that he only had two years of proper schooling.

He was 14 when he joined the East India Company in circumstances he never divulged. How could a boy with no social connections pull that off? "Probably just hanging about the company premises," says Nigel Barley, an anthropologist from the museum's department of ethnography who put together the show.

An even bigger question mark hovers over the friendship that the young man from a modest background somehow developed with Lord Minto, the governor-general of India.

It apparently blossomed after he was appointed assistant secretary to the government of the Prince of Wales Island, i.e. Penang, at the northern entrance to the Strait of Malacca, and was elevated in 1809 from a £70-a-year job as a clerk to an exalted £1,500-a-year position.

His contemporaries found the friendship odd. Years after his death a rumor was still floating about that in marrying Olivia, his first wife, he had lifted an unwanted mistress off his superior's hands. "There just is no evidence of that," Barley retorts.

Another explanation springs to mind: Lord Minto, a sound judge of character, had detected in the 28-year-old the resources of unlimited energy, intellectual curiosity, lack of prejudice (social or racial) and, not least, personal loyalty that Raffles would display.

Under its guise as a trading concern, the East India Company was the arm of the British government in its colonial expansion in Asia. The Prince of Wales Island, a "presidency" set up on land rented from the sultan of the area, ostensibly to export Malay teakwood, effectively became the base from which the information needed to stage the invasion of Java planned by England was gathered.

In Europe, where Napoleon's conquering ambitions found no limit, the Netherlands had fallen under French domination between 1914 and 1919. The work was done by Sunlight Stained Glass of Rockaway Park in Queens.

Congregation Shearith Israel on Central Park West, also known as the Spanish and Portuguese Synagogue, raised more than \$300,000 to restore its Tiffany windows, which had buckled so badly in the century since installation that pieces of glass were popping out.

"Bricks and mortar are not separate from the mission of the congregation," Rabbi Marc Angel said. "When you come into the synagogue, you realize you're in the presence of God. You feel the span of the centuries."

The east windows, above the ark, are buttery yellow under the morning sun after restoration by the Clerkin Higgins Stained Glass studio in Brooklyn, New York.

"It was as if somebody had turned the lights back on," said Michael Katz, chairman of the building and grounds committee. Some members even complained good-naturedly that the sanctuary was so bright they needed sunglasses, said Alan Singer, executive director of the synagogue.

The last windows to be restored returned in October from the Gumminger Studio in North Adams, Massachusetts. The vice



National Portrait Gallery, London

from India — from the Chittagong area of East Bengal concerning a standing Vajrapani, to such southern Indian sites as Buddhapad in present-day Andhra, regarding a standing Buddha with a charmingly naive expression.

A collection of "upwards of 100" magical coins that Raffles gathered betrays his interest in coinage — as does more proof of "civilization." Little did he suspect the real nature of these bronze disks with square holes that reproduce in large size the Chinese bronze coins used as currency in the Majapahit kingdom (1293-1528) and carry confrontrary figures of Javanese mythical characters cast in low relief. Their meaning only became clear in this century after a specialist in Malay magic saw similar discs being used by the Javanese of southern Malaya.

Raffles also acquired three of the still enigmatic 14th- and 15th-century bronze pails, with low relief figures, some representing the Zodiac signs according to conventions probably borrowed from Iran, and others characters that anticipate the shadow theater by centuries.

THE LIVING culture of Java excited Raffles' interest just as much. He laid hands on astonishing painted wood dolls, resembling the later shadow theater puppets, which have no equivalent elsewhere. Neither do two gamelan orchestras of the 18th century with their instruments gathered by mythical creatures.

His discoveries are mirrored in multiple collections formed with the encyclopedic curiosity of the truly 18th-century man Raffles was. It was he who revealed Borobudur to the West. A Dutch watercolor shows the world masterpiece of Buddhist architecture as it then appeared. Raffles exulted. It would allow him to convince his compatriots that Java had antiquities, just like Rome and Greece, the ultimate reference to westerners.

In circumstances that remain sketchy, Raffles built up to that effect a small collection of 9th- and 10th-century Javanese bronzes. Some are remarkable. Richard Burton, a curator in oriental antiquities who rescued them from the reserves collection, observes that they reflect the multiple influences coming in

from the turn-of-the-century ethnographical museums, all this comes across as an odd mix, some of it remarkably sophisticated and some of it bordering on the park variety.

The cheap presentation aimed at 10-year-olds does not help. The catalogue is frustrating: A chronological chart, an index, would help.

The only admirable works of art — the Buddhist bronzes, two sculptures from Borobudur and Prambanan — were not deemed worthy of a single mention, let alone a photograph, although most have never been illustrated.

The visitor moves between fascination and irritation. How about a great Javanese art exhibition to stone for this excursion into museum Disneyland?

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Try the Khmer Butchers

No trial for Khieu Samphan and Nuon Chea? This astonishing word came from Prime Minister Hun Sen of Cambodia. Himself a former Khmer Rouge commander, he has allowed his erstwhile comrades to end their resistance to his regime and to defect or surrender to him. [On Friday, he denied that he had given them immunity from trial at some point in the future.] These latest beneficiaries of Hun Sen's largesse were close and notorious aides to the late Pol Pot, leader of a Communist band that brought death by execution, starvation and overwork to some 1.5 million or more Cambodians in the late 1970s.

Earlier, Hun Sen had eagerly sought international aid to help try the Khmer Rouge leadership for crimes against humanity. His cooserviso to a more excusing approach apparently proceeds from his chosen strategy for consolidating his power in a still bitterly riven Cambodian society. As he puts it, he favors reconciliation over a course that might lead to resumption of civil war. Certainly, Cambodia's friends can wish it no less.

But these are special circumstances.

Hun Sen himself came to power by coup and rules now in part by violence and intimidation. He seeks to win for his regime international approval, Cambodia's United Nations seat and foreign aid. That should make him more amenable to international appeals to hold past Cambodian figures accountable for their crimes.

Khieu Samphan and Nuon Chea are not your ordinary killers, like, for instance, Augusto Pinochet, the Chilean dictator recently detained in London for a few thousand deaths. In a century of killing they are among the great killers.

Hun Sen may wish to allow these men to live out their days in a quiet corner of Cambodia. They offer only a feeble, meaningless apology.

But the minimal requirement for a society seeking its own kind of peace and acceptance compels a trial of the two for great crimes, either in an international tribunal or in a Cambodian one.

Anything less mocks the death of the victims and offers the next potential perpetrators a free ride.

—THE WASHINGTON POST.

Guiding the Senate

It is encouraging to see Senate Majority Leader Trent Lott taking an assertive yet balanced leadership role in the presidential impeachment crisis. He seems to have drawn the right lessons from watching a temporary House leader, Bob Livingston, collapse under the task of guiding that chamber through its hearings.

Mr. Lott firmly blocked the attempt by Representative Henry Hyde and the impeachment managers from the House Judiciary Committee to dictate the procedural rules for a Senate trial. Now comes the news that he and his Democratic counterpart, Tom Daschle, are pushing a plan to have expedited arguments that could produce a censure vote before the State of the Union address on Jan. 19.

Even with this good beginning, Mr. Lott will confront sensitive and complex tasks. He must sell his party on this creative plan to avoid a full-scale trial and a direct vote on the articles of impeachment by interposing a procedural vote after both the Judiciary Committee and the White House have outlined their cases in brief opening presentations. At that point the Senate would vote on whether the evidence constitutes high crimes and misdemeanors and therefore requires a trial leading to possible removal from office. If that proposition fails to pass, the Senate could then move to consideration of a censure resolution.

Some Republican senators contend that the constitution requires a trial and a direct vote on the two articles of impeachment passed by the House. But the framers were not trying to design a legal straitjacket for the Senate. That body therefore has room to convene or adjourn a trial according to majority rule and to impose censure at any point in the proceedings.

The proposal floated on Wednesday to hear the evidence and then have a procedural vote to see if a trial is necessary looks like a reasonable and constitutionally sound way to move toward censure. It would also satisfy the demands of President Bill Clinton's critics for a vote that would show whether there are enough votes in the Senate to warrant a trial that could result in removal from office.

Whether censure comes before or after a trial, it will need Republican votes to pass. This is where Mr. Lott's skills as leader and negotiator may meet a stern test. A negotiated censure resolution, rather than one imposed by the Senate, would be best for the country.

To be sure, Senate Republicans will not and should not accept Mr. Clinton's contention that he did not lie under oath. But that does not rule out serious negotiations between the White House and the Senate leadership.

Those negotiations could cover the wording of an admission on the essential offenses and the possibility of tying such an admission by the president to assurances that he would not be prosecuted after leaving office.

After the Senate reconvenes on Wednesday, Mr. Lott and Mr. Daschle should take the lead in offering specific language for Mr. Clinton to consider.

In the days since impeachment passed in the House, they have worked hard to guide the Senate toward censure as the option that fits the evidence and that also has broadest public support. They cannot, of course, force upon Mr. Clinton a realization that he insults the public and the senators who will judge him by continuing to insist that he did not lie.

But they have made a responsible start toward guiding the Senate in its task of writing into the historic record a stem and proportional condemnation of his false testimony under oath, his failure to uphold the rule of law and his disrespectful use of the presidency and the White House.

—THE NEW YORK TIMES.

Colluding With Beijing

A bipartisan investigation in the House of Representatives has uncovered serious damage to American national security from two decades of inappropriate, careless and in some cases illegal nuclear and missile technology transfers to China. These findings constitute an urgent warning that American business and political leaders must deal more carefully with China, a country with great-power ambitions and nuclear weapons. Chinese interests sometimes conflict with those of the United States.

The White House and Congress should quickly declassify as much of the report as possible, so that vulnerable areas can be identified and corrective measures taken.

The inquiry began last June after The New York Times reported that two American companies, Loral Space and Communications and Hughes Electronics Corp., may have improperly helped China fix problems in rocket design. The House committee confirmed Pentagon and State Department findings that this assistance not only helped the Chinese space industry, serving the business interests

—THE NEW YORK TIMES.

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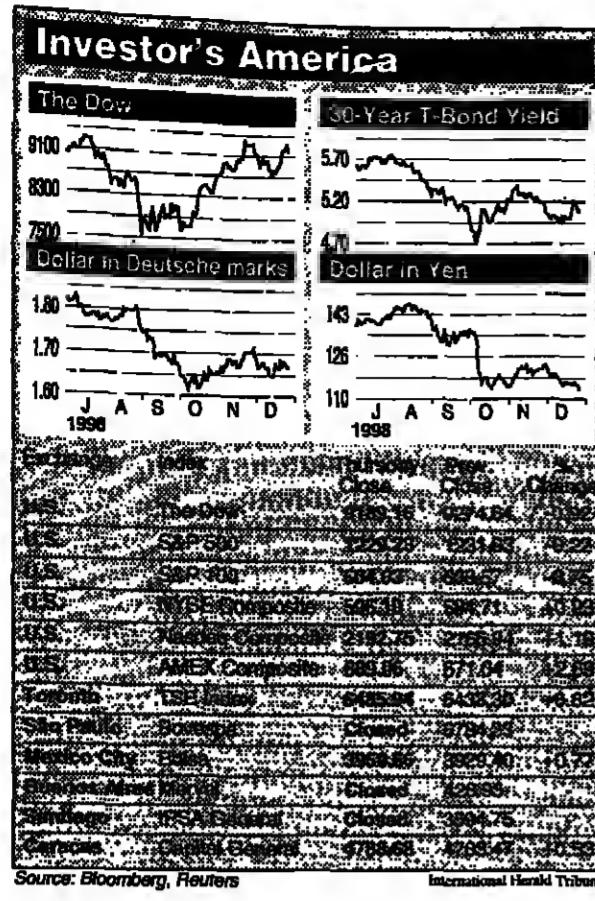
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THE AMERICAS



Source: Bloomberg, Reuters

Microsoft's Lawyers to Grill Intuit's Chief as Trial Resumes

Bloomberg News

WASHINGTON — U.S. antitrust enforcers' legal battle with Microsoft Corp. is continuing into the new year with renewed allegations that the software maker engages in monopolistic and illegal business practices.

After an almost three-week holiday recess, the trial resumes Monday with Intuit Corp.'s chief executive, William Harris Jr., on the witness stand to be cross-examined by U.S. District Judge Thomas Penfield Jackson is having the parties submit their witnesses' direct examination testimony in writing. The witnesses appear in court only for cross-examination.

The case pits Microsoft, the world's largest software maker, against the U.S. Justice Department and 19 states that allege that the company uses unlawful tactics to protect from competition its monopoly on the software operating system that runs personal computers. Microsoft's Windows operating system powers more than 90 percent of the world's personal computers.

Mr. Harris said Microsoft made initial succumb to an unwanted acquisition offer in 1994 and abandon a relationship with Netscape Communications Corp. to win a featured

item in most computer users and providers of software applications or Internet services what the dial tone is to businesses and customers using the telephone. It's the thing you must have access to if you are going to communicate with each other," Mr. Harris said in written testimony released Wednesday.

Microsoft says it does not have a monopoly on operating systems.

In an effort to accelerate the trial, U.S. District Judge Thomas Penfield Jackson is having the parties submit their witnesses' direct examination testimony in writing. The witnesses appear in court only for cross-examination.

Intuit's Quicken is the leading personal-finance software and competes with Microsoft's Money product. Microsoft, employing a tactic it has used throughout the trial, characterized Mr. Harris's allegations as the grumblings of a rival company.

Mr. Harris said Microsoft made initial succumb to an unwanted acquisition offer in 1994 and abandon a relationship with Netscape Communications Corp. to win a featured

spot on the initial computer screen that appears when the Windows operating system starts up.

In both of those instances, Mr. Harris contends, it was Microsoft Chairman Bill Gates who defined

company's contracts with computer makers and retailers.

Frederick Warren-Boulton, another economist, may have foreseen Mr. Fisher's testimony when he spent five days on the witness stand earlier in the trial testifying for the government. Mr. Warren-Boulton said a Justice Department economist reviewing the data with Mr. Fisher had said it showed that, relative to the price of personal computers, the price of the Windows system "has increased pretty substantially over the last two years."

Mr. Warren-Boulton did not provide further details. Mr. Fisher's written testimony about the data was released to the news media just before he is to take the stand.

Showing that Microsoft's price increases have hurt consumers is critical for government attorneys because, to win their case, they must show that consumers, not just Microsoft's rivals, suffered from the company's alleged anti-competitive behavior.

This facet of the government's case took on increased importance in June after a federal appeals court

ruled in a separate case that Microsoft was free to integrate new technologies into Windows as long as consumers benefited.

Since the trial began Oct. 19, the government has called 10 witnesses to the stand who said Microsoft's behavior had hurt technological innovation and limited consumer choice. Netscape's chief executive, James Barksdale, started off the trial as the government's lead witness, detailing Microsoft's alleged campaign against Netscape, its biggest rival in the market for browser software, which is what allows users to search the Internet for information.

Microsoft viewed Netscape's Navigator browser and Sun Microsystems Inc.'s Java computer language as the two biggest threats to its Windows monopoly power and set out to destroy them, antitrust enforcers allege.

James Gosling, vice president of Sun and a creator of Java, testified that Microsoft had attempted to "pollute" the language. Microsoft countered that it had improved Java's performance on Microsoft systems.

Can '99 Top a Record Year of Megamergers?

Reuters

NEW YORK — Corporate merger and acquisition activity was at record levels around the world in 1998, with the "urge to merge" running wild despite a see-saw year in the stock market.

Worldwide, mergers and acquisitions with a total value of \$2.49 trillion were announced last year, according to preliminary figures compiled by Securities Data Co., up substantially from \$1.61 trillion in 1997.

Price tags on megamergers rose steadily through the year, culminating in the record-setting proposed takeover of Mobil Corp. by Exxon Corp., valued at about \$80 billion when it was unveiled three weeks ago, and Tyco International Ltd.'s \$11.6 billion "white knight" offer for AMP Inc. which bested

AlliedSignal Inc.'s \$10 billion hostile pursuit of AMP begun in August.

On Wednesday, U.S. regulators conditionally approved two of the largest combinations: AT&T Corp.'s \$48 billion purchase of Tele-Communications Inc. and British Petroleum Co.'s \$5 billion purchase of Amoco Corp.

Market participants said they expected a continued heavy volume of deals, assuming continued favorable economic trends such as low and steady interest rates and no revising of the U.S. stock-market drop of late August through October.

"I think going into 1999 we will probably see some acceleration in activity," said Keith Stock, senior consultant with A.T. Kearney. "Given the record couple of years we have had, I see that as a continuing trend."

"We are likely to see increased transatlantic activity. We have seen the edge of the iceberg of that, and I think we will see parallel paths of pan-European mergers and transatlantic mergers continuing for the next couple of years."

Driving this, he said, will be a more positive regulatory environment and the emergence of Europe's common currency, the euro, which officially came into existence Friday.

"The euro has increasingly gotten the attention of U.S. companies

looking at opportunities in the second-largest developed market in the world — particularly when Japan does not look as attractive as it once was," he said.

Steven Cohen, director of research at the merger arbitrage firm Kellner DiLio in New York, said: "All of the components are in place that have driven the deal business. I see no reason for that to change going into next year."

"The underlying positive economic outlook gives people confidence and makes them want to take risks. Plus there are all the factors that are causing mergers from a competitive standpoint."

Among these, he said, are mature industries looking for external means to increase earnings or simply creating greater efficiencies, which you see going on in the oil industry now."

But he warned that if a major economic upheaval such as a recession arrived, "then all of this is out the window."

Despite the unrelenting stream of deals in 1998, a handful of agreements that were aborted made for a mixed year for arbitrageurs such as Mr. Cohen, who make their money by trading on the difference between the stock prices of prospective merger or acquisition targets.

"It was a very challenging and difficult year for the arbitrage community," said an arbitrage trader who asked not to be identified by name. But he added, "I don't want to suggest we lost money; we did not."

Lockheed Martin Corp. and Northrop Grumman Corp. canceled their \$9 billion combination in July after the Pentagon opposed the deal, and a deal between Ciena Corp. and Tellabs Inc. was scrapped in September.

"Two very high-profile deals got killed," the arbitrage trader said. "One was the Northrop-Lockheed deal which the government killed at the last second, which was very costly to the arbitrage community, and the other was the Ciena-Tellabs deal."

Another arbitrageur, who also did not wish to be named, said: "There were a lot of places people got hurt — Ciena-Tellabs and restructuring. But if you picked your places well and had a little bit of luck on your side, you did pretty well."

"It was a difficult year," he added. "There was a ton of activity, but the market drop in August cost us a lot of places people got hurt."

"In hindsight, it was a very volatile year, which caused both tremendous opportunity and tremendous disappointment."

NYSE Sets New Limits

Bloomberg News

NEW YORK — The New York Stock Exchange, in its quarterly adjustment of its so-called circuit-breakers, has reset the level for a trading halt in U.S. equity markets at a drop of 900 points, up from 800 points last quarter.

The changes will take effect Monday.

A 900-point drop in the Dow Jones industrial average would halt trading for one hour if the decline occurred before 2 P.M. in New York time and for 30 minutes if between 2 P.M. and 2:30 P.M.; it would have no effect between 2:30 P.M. and the market's closing at 4 P.M.

A 1,800-point drop would halt trading for two hours if the decline occurred before 1 P.M. for one hour if before 2 P.M. and for the remainder of the day if between 2 P.M. and 4 P.M.

A 2,700-point drop would halt trading for the remainder of the day regardless of when it occurred.

The previous triggers were 800, 1,600 and 2,350 points.

Very briefly:

• 800 Travel Systems Inc. released its interactive Internet reservation system, its new electronic commerce travel product. The system allows registered members to reserve airline tickets with the assistance of a trained travel agent. The company also said it was confident the Exodus infrastructure could handle demand. It recently hosted an Election Day site that saw more than 1.7 million visitors.

• A U.S. federal judge has denied a motion by Optiva Corp., a power toothbrush maker, to stop Gillette Co. and its Braun-Blaser unit from using certain advertising claims for Braun Oral-B Plaque Removers. Gillette said in June that it was suing Optiva over advertising claims related to Optiva's sonicare electric toothbrush. But Optiva countered, alleging that Braun engaged in false advertising and deceptive business practices.

• Investor John Kluge sold his entire 13.89 percent stake, or 1.63 million shares, in PHP Healthcare Corp., a managed-care company in Reston, Virginia, that filed for bankruptcy protection in November. Mr. Kluge received a total of \$15,000, or 3 cents a share.

• Japan must carry out its banking reform plan and get its economy back on track to help other Asian nations overcome their recent economic woes, U.S. Treasury Secretary Robert Rubin said in a television interview. Japan must also stimulate its economy and deregulate and open its markets, Mr. Rubin said.

• U.S. executives bolstered their stock sales by 26 percent to a record \$36.2 billion in 1998, led for a third consecutive year by Microsoft Corp. executives. Share purchases by executives totaled \$2.8 billion in shares during the year, a 23 percent increase.

• Modis Professional Services Inc., which provides staffing and business-consulting services, plans to cut about 290 jobs, or 8 percent of its work force, and close 23 offices to cut costs. The company, based in Jacksonville, Florida, will take a charge of \$17 million to \$20 million for the job cuts and an additional \$10 million charge for office closings. It did not say when it would take the charges.

Bloomberg, Reuters

The Trib Index									
Dec. 31, 1998, 4:00 P.M. New York time.									
Jan. 1, 1998 = 100		Level		Change		% change		Year to date	
World Index	203.09	-0.40	-0.20	+18.00	+0.08	+0.04	+0.02	+18.00	+0.08
Regional Indices									
Asia/Pacific	89.20	+0.54	+0.61	-7.15	+0.05	+0.60	+0.05	+0.54	+0.05
Europe	236.10	+1.14	+0.49	+22.31	+0.07	+0.03	+0.01	+22.31	+0.07
N. America	288.38	-3.50	-1.20	+33.52	+0.08	+0.03	+0.01	+33.52	+0.08
S. America	82.64	+0.52	+0.63	-45.87	+0.05	+0.04	+0.01	+0.52	+0.05
Industrial Indexes									
Capital goods	301.29	-2.98	-0.38	+45.85	+0.08	+0.02	+0.01	+45.85	+0.08
Consumer goods	248.73	-0.23	-0.08	+18.60	+0.05	+0.02	+0.01	+18.60	+0.05
Energy	200.87	-0.94	-0.47	+3.03	+0.07	+0.03	+0.01	+3.03	+0.07
Finance	138.80	+0.30	+0.22	+12.88	+0.06	+0.03	+0.01	+12.88	+0.06
Miscellaneous	194.32	+0.36	+0.19	+29.85	+0.07	+0.03	+0.01	+29.85	+0.07
Raw Materials	164.79	-1.15	-0.68	-1.46	+0.05	+0.02	+0.01	-1.46	+0.05
Services	217.58	+0.05	+0.02	+24.82	+0.06	+0.03	+0.01	+24.82	+0.06
Utilities	186.63	+1.16	+0.53	+11.84	+0.07	+0.03	+0.01	+11.84	+0.07

The International Herald Tribune World Stock Index tracks the U.S. dollar value of 250 internationally investable stocks from 25 countries.

Compiled by Bloomberg News.

AMEX**Thursday's 4 P.M.**

The 200 most traded stocks of the day, up to the closing on Wall Street.

The Associated Press

Stock	Sales	High	Low	Last	Chg.	Chg.
AMEX						
ABC	212	216	210	216	+1.00	+0.47
ABX	102	105	102	105	+0.00	

YSE

Thursday's 4 P.M.
The 2,600 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

Continued on Page 14

Shift to the Euro / A Single Currency for 11 Countries**FOUNDERS: Sharing a Proud Moment**

Continued from Page 1

They persuaded fellow European leaders to establish something called the European currency unit, expecting it to become coin of the European realm by the early 1980s, but it failed to speed the process.

"The delay was unnecessarily long," Mr. Giscard d'Estaing said in an interview in the French Parliament, "and without wanting to be too severe, I think it was caused by indifference and to some extent lack of financial literacy on the part of the European leaders of the early 1980s. They did not ascribe the same importance to it as we did, and maybe they were hesitant to get into the technical details, so the system went into a kind of hibernation from 1981 to 1988."

Then, with the collapse of communism in 1989, President Francois Mitterrand of France and Chancellor Helmut Kohl of Germany pushed harder for the common currency again, partly to bind a reunified Germany more firmly into a new single European market.

But even then, Prime Minister Margaret Thatcher and her successor, John Major, kept Britain out. And Mr. Schmidt said, "the central bank officials of the other countries did not want to lose their power so they invented a thousand conditions, but in the end the idea finally prevailed."

To listen to them now, a common currency, strengthening the unified market that came into its own in 1993 when the last customs and tariff barriers fell in the European Union, will finally give Europe the opportunity to become a global power.

Sir Edward bemoaned all reservations aside in an interview in his London pied-a-terre, near Eaton Square.

"There's no single market in the world without a single currency, not in Japan and certainly not in the United States," he said. "Imagine what the United States would be if each of the 50 states had its own currency."

With new confidence in the stability of the economic and monetary policy of Europe, according to these most enthusiastic of the euro's cheerleaders, dynamic growth could finally cure the Continent's chronic unemployment problem. And investors around the world, they say, may welcome a strong new currency that can diversify portfolios.

That could weaken the dollar and force up interest rates in the United States, they concede, but they shrug off that almost as easily as most presidents since Richard Nixon have shrugged off the effects of U.S. monetary policy on smaller currencies.

"America and Europe will continue to need each other into the 21st century," Mr. Schmidt said, "but it remains to be seen whether the euro is good for the United States. Some governments will shift dollar-denominated assets into euro-denominated ones, which means the U.S. Treasury might have to pay higher interest rates to attract investors."

Mr. Giscard d'Estaing, though, says he wishes the euro were not quite so strong at the start.

"The dollar at the moment is a little too weak," he said. "I have the feeling the American economy is slowing down a bit, and that the American authorities accept that. There will be a dynamic between the euro's spontaneous tendency to strengthen, and a monetary policy for the euro that will try to contain that tendency."

The difference in views reflects a long-standing divergence in German and French attitudes toward money.

For Germany, a strong mark was a symbol, a defeated nation could take pride in after the war, a fact Mr. Giscard d'Estaing said he had felt obliged to take into account when he and Mr. Schmidt devised their 1978 plan.

For the Germans, the idea of abandoning the Deutsche mark, losing it, and entrusting it to a bank controlled by governments they did not feel as much confidence in as in their own independent central bank, was impossible," Mr. Giscard d'Estaing said. "So independence for the European Central Bank was an essential core idea."

The ease with which the Germans have accepted the end of the mark surprised me, and I think it surprised them too," he continued. "The strict criteria, the requirement to cut budget deficits, the independence of the central bank in the plan, all had the merit of reassuring the Germans."

The idea of a strong central bank found its way into the treaty that spelled out the final plan for the euro more than a decade later, though not quite the way Sir Edward would have preferred.

"Under our original plan, the City of London would have been the center of the whole deal," he said. Instead, he said, "it all went to Frankfurt," where the new European Central Bank is located.

All three leaders, with vivid memories of what World War II did to their countries, said they hoped monetary union would force the members of the European Union still closer, encouraging them to share sovereignty in foreign, military and domestic policies, not just economics.

SCENE: Financial World Works Overtime to Prepare for Euro's First Day

Continued from Page 1

from trading European stocks over the past two years than it has from trading on Wall Street.

"We'll make a tremendous amount of money" from monetary union, Mr. Shivers said. "It's a tremendous business opportunity. Europe's going to be a wondrous place to be in the financial-services industry."

Bill Winters, head of fixed-income trading at J.P. Morgan & Co., agreed. "We haven't really begun to feel the effects," he said, predicting a surge of interest in the \$2 trillion government bond market covering the 11 euro countries that would invigorate the economy by making cheaper money available to European companies.

But to get there, financial institutions will

have to work overtime over the weekend to convert more than 3,000 government bonds, several hundred equities and thousands of currency contracts, options and other securities from the so-called legacy currencies of the 11 participating countries into euros.

In London, which aims to retain its status as Europe's leading financial center despite Britain's decision to stay out of the euro, an estimated 30,000 people were expected to work over the weekend. Thousands of people were performing similar tasks in Paris, Frankfurt, Milan and other continental centers. Even some staff at banks and securities custodians from Australia to the United States had to postpone New Year's celebrations if their firms held investments in Europe.

The Bank of England and the European



Mr. Schmidt believed there would be a single currency by the 1980s.



Mr. Giscard d'Estaing said the delay "was unnecessarily long."



Sir Edward said Britain has made a historical mistake on the euro.

EURO: 11 Nations Fix Monetary Bets on a More United Europe

Continued from Page 1

Commission, conceded that the issue was shrouded in confusion and that the supposed agreement in May was not clear. "What seems important to me is that Duisenberg was appointed for eight years," he said. "It is up to him to decide whether to step down early for whatever reasons."

Prime Minister Jean-Claude Juncker of Luxembourg, the only politician to have signed both the Maastricht treaty, which set in motion the process of economic and monetary union, and the agreement Thursday, said he was dismayed that the dispute had re-emerged on such an occasion. "It was not very intelligent politically to revive this debate," he said.

A teleconference, governors of the central banks reported the rates at which their currencies were trading against one another and the U.S. dollar, and these statistics were used to calculate the rates at which the currencies will be converted to the euro. The tug of a blue curtain revealed a board with the rates, showing 1 euro representing 40,339 Belgian francs, 1,95583 Deutsche marks, 166,386 Spanish pesetas, 6,55957 French francs, 0,787564 Irish punts, 1,936,27 Italian lire, 40,3399 Luxembourg francs, 2,20371 Dutch guilders, 13,7603 Austrian schillings, 200,482 Portuguese escudos and 5,94573 Finnish markkaa.

Mr. Duisenberg described the locking of the rates, which have been stable for many months in the face of a global economic crisis, as "almost a formality — contrary to what could have been expected almost a year ago."

The ministers confirmed Denmark and Greece as members of the European Exchange Rate Mechanism, binding their currencies to trading margins of 2.5 percent and 15 percent, respectively, against the euro. Greece was unable to meet the entry conditions for the euro, including low levels of public debt and budget deficits, but Finance Minister Yiannis Papantoniou said it would meet all the targets by the end of next year and seek to join by Jan. 1, 2001.

Economy Minister Marianne Jelved of Denmark, which opted out of monetary union in the initial round, said she was confident that Denmark would soon join but added that it was necessary to hold a referendum first.

Two other members of the European Union, Britain and Sweden, are not initially adopting the euro.

Mr. Santer said there would be no relaxing of the requirement in the Maastricht treaty that new entrants must serve a two-year apprenticeship in the Exchange Rate Mechanism before being admitted to the monetary union.

Britain did not send a minister to the meeting, but its ambassador to the EU, Stephen Wall, wished the project well. "A successful economic and monetary union means growth and jobs for all

Europe, including the United Kingdom," he said.

The ministers also ruled that three European ministers — Vatican City, San Marino and Monaco — and the French overseas territories St. Pierre, Miquelon and Mayotte could use the euro as their currency, subject to restraints.

Many of the ministers paid tribute to politicians and officials who had been instrumental in bringing about the euro.

They included a former prime minister of Luxembourg, Pierre Werner, author of the first detailed report on monetary union in 1969; a late president of France, Francois Mitterrand; a former chancellor of Germany, Helmut Kohl; the European commissioner for monetary affairs, Yves-Thibault de Silguy, and Sir Nigel Wicks, a Briton who headed the EU Monetary Committee, which was responsible for the detailed planning of the union.

DOLLAR: U.S. Currency Faces Challenger

Continued from Page 1

World War II into a bipolar regime," predicted C. Fred Bergsten, director of the Institute for International Economics, in a 1997 article in Foreign Affairs magazine.

What will that mean? For one thing, hundreds of billions of dollars currently invested in securities such as Treasury bills will be shifted to euro-denominated securities, according to Mr. Bergsten, who argues that as a result, the value of the dollar will fall sharply. That, he warned in an interview, could cause inflation fears to rekindle as imports get more expensive, and lead to higher U.S. interest rates.

Some experts take an even more dire view of the long-term consequences for a country that continues to live beyond its means by importing \$200 billion year more than it exports.

Up now, the United States has encountered virtually no trouble getting the money from abroad that it needs to pay its import bill, partly because of the dominant status of the dollar. Companies selling, say, Soyo televisions or Mercedes-Benz cars to Americans are content to take their payment in dollars and invest the proceeds in dollar-denominated securities such as Treasury bills. That is a dramatic contrast with, say, Russia or Thailand or Indonesia, which have been forced to borrow from the International Monetary Fund — and submit to its dictates — when people lost faith in their currencies.

"What America is about to lose — or, more exactly, to begin to lose — few Americans ever realized they had," wrote James Grant, editor of Grant's Interest Rate Observer. "This unique national blessing is the privilege of borrowing in the very currency that the United States alone can lawfully print. The strategic and financial value of this franchise is incalculable."

Thanks to the euro, in other words, the dollar will be less appealing for foreigners to hold. So to induce them to take dollars, American borrowers may have to offer more attractive returns — and, according to Mr. Grant, "competition from the euro will tend to cause dollar interest rates to be higher than they would otherwise have been."

But other economists dismiss such arguments as unduly alarmist. For starters, the euro will suffer from numerous drawbacks that will limit its appeal for use in trade and finance. A person holding a few million dollars can always park it easily in the giant market for U.S. Treasury securities, where dealers compete fiercely with one another so that investors need incur only modest costs for buying, selling and hedging.

By contrast, the convenience of the market for euros may be handicapped by the absence of a single, Euroland-wide bond such as the U.S. Treasury bond. Each country in the bloc will still issue its own securities.

Jeffrey Shafer, vice chairman of Salomon Brothers International in New York, said many of his firm's clients had expressed interest in borrowing and investing in euros. But the leading-currency status of the dollar "isn't what allows us to finance our deficit," said Mr. Shafer, a former Treasury undersecretary. "It's that we are the world's strongest country, with rule of law and respect for property. It also helps to have a first-class financial center — and we'll still have that."

Indeed, the ability of the United States to borrow in dollars came into question when inflation ran rampant in the late 1970s, and Washington felt obliged to issue bonds denominated in Deutsche marks. As long as U.S. inflation stays low, Mr. Shafer said, that sort of episode should not recur.

"The dollar's advantages will still be there," said David Hale, global economist at Zurich Group in Chicago. "But we will be experimenting with alternatives in a way we haven't done before. All one can say is, 'Stay tuned.'"

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**Thursday's 4 P.M.
(Continued)**

THE MONEY REPORT

Italy: A New Breed of Do-It-Yourselfers Finds a Wealth of Investment Choices

By Stephanie Apap Bologna

ITALIANS are finding exciting ways to save money, largely because they have to. Until a few years ago, investment was a straightforward matter: Savers were content to buy Treasury bills, secure in the knowledge that they would yield more than 10 percent after tax, although the return was considerably less after taking inflation into account.

Italy also had a generous state pension system. Workers in the highest income bracket, earning more than 150 million lire (\$90,000) a year, received

45 percent of their salaries annually on retirement; those earning less received even higher percentages.

But benefits were trimmed under reforms introduced in 1997, with savers in the top bracket hit hardest. Workers will continue to contribute 9 percent of gross pay to the state pension fund, but they will receive only 30 percent of their final salaries.

At the same time, savers have also found they can no longer count on double-digit Treasury-hill returns. Yields have plummeted to about 3 percent, the result of reduced fiscal deficits and a convergence of European interest rates as Italy prepared for monetary union. Inflation has shrunk as well, but even after adjusting for that, returns are lower.

The Money Report's hypothetical 40-year-old savers have new ways to invest to achieve high returns, as well as various tax advantages introduced in the 1997 reforms. They may have trouble

deciding among them, however, because there is little independent financial advice in Italy, with investments typically sold through banks or through promoters tied to fund-management or insurance companies.

One program introduced during the reforms provides tax breaks to pension savers in industries with strong trade unions, such as chemicals or metals, said Stefano Grassi, a pensions adviser at Prime Investment Management in Milan. Tax-free contributions are limited to 2 percent of taxable income up to 2.5 million lire, an amount matched by the employer.

Under another plan, called a *trattamento di fine rapporto*, a compulsory employer-contribution program introduced in the 1980s, employers contribute a much higher amount — just over 7 percent of the employee's gross salary — but the accounts grow at just 1.5 percent a year plus 75 percent of the country's annual inflation rate. Benefits

are paid as a lump sum at retirement. With inflation hovering around 2 percent to 3 percent, the plan offers little excitement. Mr. Grassi advises employees included in a TFR to transfer the allowable amount into one of the new industry plans. "The performance of the industry fund will be much better than the TFR," he said.

Employees who belonged to a TFR before 1996 can have their contributions reduced to 5 percent and put the remaining 2 percent into industry plans if they have them. TFR participants who joined in 1996 and after can contribute the full 7 percent, a strong enticement to younger savers.

Stocks and bonds in Italy have performed far better in recent years than cash instruments, and a tax break introduced last year provides a further inducement to own them, said Alida Carcano, head of portfolio management at Credit Suisse Private Banking in Mi-

lan. The tax rate on capital gains was reduced to 12.5 percent from 27 percent for a variety of pooled investments, such as mutual funds, but not on individual securities.

Further benefits are available to purchasers of funds wrapped into life-insurance policies. While taxable income and capital gains must be distributed each year by mutual funds, they are allowed to accrue tax-free in insurance products; tax is due only on redemption.

In addition, after an investment is held for 10 years, the tax on capital gains falls from the usual 12.5 percent by 0.25 percentage point each year; gains on a policy sold after 20 years, say, would be taxed at 10 percent.

"As life policies, there are a lot of fiscal benefits for the same cost and performance of an investment product," said Marco Rampon of Pro-

trust, a promoter in Italy for Clerical Medical International, a British insurer.

Giorgio Alfara, a fund adviser with Prime, Mr. Grassi's company, said he would encourage someone with a \$50,000 lump sum to take advantage of the new capital-gains tax treatment by putting most of it into funds targeting Italian or other European bonds, a reflection of the lingering conservatism of Italian investors.

The rest of the portfolio should be put into more exciting investments, mainly European, U.S. and Asian equities, he said. When the corporate-bond market in Europe opens up, he added, high-yield bonds may become attractive alternatives to a portion of the portfolio devoted either to government bonds or equities.

PRIME INVESTMENT MANAGEMENT'S three-to-five-year recommended portfolio: European funding institutions, 60 percent; Emerging market equities, 20 percent; U.S. technology shares, 10 percent; Japanese and emerging Asian equities, 10 percent.



Mexico: Hunt for Quality Securities, and Hold Tight

By Judith Rehak

RIUGHT NOW, emerging-market turmoil makes Mexican securities seem less than ideal for retirement savings. What is more, Mexico's stock market is directly affected by the ups and downs of the U.S. stock market, which some analysts think is overpriced and likely to correct.

But the picture becomes much more positive if you are investing for retirement in 20 years, according to Jorge Suarez-Velez, a director of Aris Securities, a unit of Grupo Financiero Banorte. He suggested splitting a \$50,000 portfolio evenly between U.S. dollars and Mexican pesos, placing 60 percent of each in equities of the two countries. "The risks of equities are strongly diminished because this is for the long term," he said.

For the U.S. portion, Mr. Suarez-Velez, who is based in New York, suggested an American growth-stock mu-

til fund, with the requirement that it follow a buy-and-hold strategy. "In many cases, funds in the U.S. are too pressured to beat their benchmark, and so they do too much trading and are too aggressively managed," he said. "I would rather be in a fund that sticks with securities it likes for the long run."

He added a caveat: "U.S. stocks in general are too expensive right now, so I would stay in cash and wait for more reasonable valuations before buying a fund. The Standard & Poor's 500 is at 30 times earnings, and that's way too rich. I'd wait for it to fall below 20 times earnings."

For the 40 percent fixed-income side of his American portfolio, Mr. Suarez-Velez's choice was simple: long-term U.S. Treasuries, "because I think rates will probably fall."

Turning to the Mexico half of the portfolio, Mr. Suarez-Velez's strategy was quite different: for equities, buy directly a select group of individual blue-chip Mexican companies.

"I would go for those with low-leverage, big-cash generators, and ones that have proven that they can function well in complicated times, because of sectors or products," he said, adding that only a handful meet his criteria.

His list: Cifra SA, the giant, cash-rich retailer; Grupo Carso SA, a conglomerate that is "very good at making acquisitions in bad times and turning them around"; Gruma SA, Mexico's largest tortilla maker, which gets half of its sales, and hard currency, from abroad; Telefonos de Mexico, the country's telephone company, "a good long-term bet, growing more efficient and cost conscious"; and two beverage companies:

Grupo Modelo SA, which brews Corona beer, and Grupo Coca-Cola bottler, Mr. Suarez-Velez said he would divide his 60 percent equity stake more or less equally among the six.

For the debt side, 40 percent of the peso portfolio, he suggested short-term (28-day) Cetes, government debt yielding around 36 percent in mid-December.

"Just keep rolling them over," he said. "You can see the rate you're getting and it's a way to keep up with inflation." He advised buying Cetes directly from a broker rather than buying a debt fund.

"The loads on these funds in Mexico are too high," he said.

Mexicans do

get some social security payments for retirement, but Mr. Suarez-Velez said it was not a very meaningful sum. It also is mandatory to put some money into retirement funds run by various financial groups, but he noted that they are restricted as to where they can invest, and own mostly government debt.

One reason Mr. Suarez-Velez's portfolio is weighted towards debt is that equity investing is not part of the Mex-

ican culture. "People see it as high-risk, and they equate it with gambling," he said. "But you can make the case for investing in equities, even in Mexico, if it's for the long term, which takes away the risk, and you don't try to time the market and trade." Choose good companies with good products and a good track record, he added, and "you will generate much higher yields than with debt."

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Age	12% annual return	8% annual return	4% annual return
20	\$190		
25	\$286		
30	\$436		
35	\$671		
40	\$1,052		
45	\$1,698		
50	\$2,890		
55	\$5,466		
60	\$13,610		

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WORLD ROUNDUP

Foreman-Holmes Said to Be Canceled

BOXING The George Foreman-Larry Holmes fight, scheduled for Jan. 23, is off, according to Foreman's brother.

"George says it's off," Roy Foreman said in a telephone interview Friday. He said the reason his brother was backing out was that the promoter of the fight, Roger Levin, did not meet the deadline for paying Foreman the remaining \$9 million of his \$10 million purse.

"They were supposed to have the money last week and they didn't have it," Roy Foreman said. "George gave them an extra week and they still didn't have it."

George Foreman has received a \$1 million down payment, which he will keep. Holmes will keep a \$400,000 down payment on his \$4 million purse.

The fight was to be held in the Astrodome in Houston 10 days after Foreman's 50th birthday. Holmes turned 49 on Nov. 3. (AP)

Say It Isn't So, Fido

DOG RACING Is there any sport free of doping scandals these days? The obscure pastime of whippet racing is in turmoil over cheating — with chocolate drops.

The whippet is a racing dog, a cross between a greyhound and a spaniel or terrier, and whippet racing is popular in northeastern England. The British Whippet Racing Association recently introduced drug testing to its competitions.

According to the latest issue of Whippet magazine, several dogs have tested positive for theobromine and caffeine — both found in chocolate.

Dogs have been stripped of their championships and owners banned from the sport as a result. The whippet owners are fighting back, however.

Mark Pettitt, whose dog XSpell was one of the top racers and among those to fail a drug test, said the racing association "will just not listen to reason."

"Innocent people with pets who are just in this for fun are being branded drug cheats, and I will not stand by and see people bullied," he told *The Independent* newspaper. "People's lives are being ruined by this." (AP)

Longhorns Stampede Over Mississippi State

Applewhite Throws for 3 Touchdowns And Williams Romps in Cotton Bowl

The Associated Press

DALLAS — Ricky Williams closed out his career by displaying his version of the Heisman Trophy pose after a touchdown, but it was the freshman quarterback, Major Applewhite, who stole the Cotton Bowl show for the Texas Longhorns.

Applewhite threw three touchdown passes when No. 25 Mississippi State ganged up on Williams on Friday and the No. 20 Longhorns rolled to a 38-11

COLLEGE FOOTBALL

victory, the first for Texas in the Cotton Bowl since 1982.

The Heisman winner Williams, who thrived in the foggy, many conditions, scored on a 37-yard touchdown run in the third quarter. Upon reaching the end zone, he froze in the famous stiff-armed pose seen atop the Heisman trophy.

Williams scored again on a 2-yard

third-period run against the tiring Mississippi State defense and finished with 203 yards rushing on 30 carries. Williams' rushing total was the third-highest in Cotton Bowl history.

Williams, who set 16 collegiate records during his career, had 248 all-purpose yards. He caught five passes for 45 yards.

The Bulldogs scored on a 5-yard pass from Matt Wyant to LaTisha Grant; James Johnson rushed for 112 yards on 22 carries for Mississippi State.

OUTBACK BOWL: No. 22 Penn St. 25, Kentucky 14 Coach Joe Paterno of Penn State is hard to beat in a bowl game. Give him a month to prepare, and he can make it tough on anybody — including Kentucky's star quarterback, Tim Couch.

Penn State grounded Couch and Kentucky's explosive passing attack after a flying start to dominate the final three quarters of the Outback Bowl and earn a convincing victory Friday.

Couch, playing perhaps his last college game, threw for two first-quarter touchdowns and finished with 337 yards passing. But he was also intercepted twice and sacked six times.

Kevin Thompson threw a 56-yard touchdown pass to Joe Nastasi. Chafie Fields scored on a 19-yard reverse, and Travis Fomey kicked an Outback Bowl

first quarter as he slipped behind Robertson. In the second period, McGarity caught a short pass, shook off Robertson's tackle and sprinted the rest of the way for the score.

Mississippi State scored on a 39-yard field goal by Brian Hazelwood, who also had a 41-yard attempt blocked by Aaron Humphrey on the final play of the first half. The Bulldogs lost their top receiver and kick returner, Kevin Freitas, with an elbow injury in the first half, and he never returned.

Texas scored 24 points in the third period. Williams scored twice, and Applewhite hit Kwame Cavil with an 18-yard touchdown pass. Kris Stockton kicked a 47-yard field goal. Applewhite completed 15 of 26 for 225 yards.

The Bulldogs scored in the fourth quarter on a 5-yard pass from Matt Wyant to LaTisha Grant; James Johnson rushed for 112 yards on 22 carries for Mississippi State.

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Mark Humphrey/The Associated Press

Tulane's Kerwin Cook (84) fighting off Brigham Young's Rob Warcup.

record four field goals for Penn State (9-3). But the real story of the game was the Nittany Lions' defense, which was ranked No. 12 nationally during the regular season and led the Big Ten with 47 sacks.

GATOR BOWL: No. 12 Georgia Tech 38, No. 17 Notre Dame 28 Georgia Tech's Deion Sanders caught touchdown passes of 44 and 55 yards from Joe Hamilton, helping Penn No. 12 Georgia Tech to a victory over No. 17 Notre Dame in the Gator Bowl in Jacksonville, Florida.

In an unexpected shootout, Hamilton and White outduled Jarius Jackson and Autry Denson, leading the Yellow Jackets (10-2) to their first 10-victory season since 1990.

Trying to snap a three-game bowl

losing streak, Notre Dame (9-3) broke out in green jerseys for the first time since the 1995 Fiesta Bowl. But those uniforms couldn't defend White nor Hamilton and the Fighting Irish came up short of pulling out another last-second victory.

Trailing 35-28, the Irish got the ball twice in the final three minutes. Neither teams produced a yard and Nate Stinson, who finished with 2/4 sacks, ended the final drive by forcing a fumble that was recovered by defensive end Jesse Tarplin.

It gave Georgia Tech, 17-13 losers to Notre Dame in the 1997 season opener, only its fifth victory over the Irish in 32 meetings and its first since Pepper Rodgers' team won, 23-14, in 1976.

Trying to snap a three-game bowl

Tulane Wins Liberty Bowl To End Season Undefeated

The Associated Press

MEMPHIS, Tennessee — Tenth-ranked Tulane has earned in the best record in its 104 years of football. Now the Green Wave would like to test that 12-0 mark with one more game.

Tulane beat Brigham Young, 41-27, Thursday in the Liberty Bowl in a game that was never close as Shuan King drew for two touchdowns and ran for one.

Only one other U.S. major-college football team has a chance to finish undefeated: No. 1 Tennessee (12-0) plays Florida State on Monday in the Fiesta Bowl. If the Volunteers win, the Green Wave wouldn't mind a battle of the undefeated. "I'd love to play Tennessee, and I think it would be a good game," King said.

"We're 12-0," Brian Timmons, a linebacker, said. "They can't take that away from us. We feel in our hearts we are the true national champions."

The Conference USA schedule that helped the Green Wave go undefeated also hurt its power rankings, causing Tulane to be excluded from the Bowl Championship Series. So it will have to satisfy itself with beating a school record set in 1931, when it went 11-1, and what should be its highest ranking in the final Associated Press poll.

The Green Wave polished off the undefeated season by rolling up 528 yards total offense against a BYU defense that had been allowing just 273.9 yards a game. The defense also shut down the Cougars much of the game, giving up only 186 yards through three quarters and just 54 rushing yards all game.

King completed 23 of 38 passes for 276 yards and rushed 16 times for 109 yards.

PEACH BOWL: No. 19 Georgia 38, No. 13 Virginia 33 Todd Braverman wanted a chance at redemption. Instead, what he got was wide right. Again.

The Virginia kicker missed a 48-yard field goal with 19 seconds remaining and No. 19 Georgia held on for a wild victory over the 13th-ranked Cavaliers in the Peach Bowl in Atlanta.

Braverman already had missed a 44-yard attempt and a critical extra point when Virginia got a final chance Thursday night by recovering an onside kick.

The Bulldogs (9-3) fell behind, 21-0, in the first half, then mounted the biggest comeback in their bowl history.

INDEPENDENCE BOWL: Mississippi 35, Texas Tech 14 Coach David Cutcliffe was a winner in his Ole Miss debut as the Rebels beat Texas Tech in the Independence Bowl in Shreveport, Louisiana.

Jones also took third in the Reuters Sports Personality poll, in which editors and reporters from 35 countries rank their leading sportsmen and women from a list of 30 candidates. Zidane finished first, once again benefiting from the springboard effect of what was much more a collective victory than an individual tour de force. In second place was Herman Maier, the Austrian alpine skier who dominated the World Cup circuit and won two gold medals at the Winter Olympics after surviving one of the most spectacular crashes in the history of the downhill. Gebrassie record in 1998.

Who else but Haile Gebrassie, the diminutive distance runner and habitual world-record breaker, is an Ethiopian going to support?

In the United States, Mark McGwire, the muscular first baseman for the St. Louis Cardinals who smashed Roger Maris' iconic home-run mark is a straightforward choice for Americans, although the weekly publications, Sports Illustrated and the Sporting News, both had McGwire share their sportsman of the year awards with fellow slugger Sammy Sosa, a Dominican who also surpassed Maris' record but could not quite keep pace with McGwire.

With the world athletics championships in 1999 and Jones a real threat to win four gold medals, she could soon move up the pecking order, but Jordan will have great difficulty doing the same if the NBA doesn't come to an agreement in its labor dispute. He had another marvelous season, winning his sixth title in eight years with the Chicago Bulls.

Whatever happens at the bargaining table (and our interest in striking multimillion-dollar deals is waning quickly), Jordan will continue to turn heads in multiple time zones. Not all of the year-end winners can say the same. Raymond Nur, an amateur boxer, could walk unimpeded through the streets of New York, New Delhi or New Zealand but in Accra and probably only Accra is it a different matter. His gold medal at the 1998 Commonwealth Games made him Ghana's sportsman of the year.

SUN BOWL: Texas Christian 26, Southern California 19 The overconfident, underprepared Trojans lost to underdog TCU in the Sun Bowl in El Paso, Texas, in TCU's first bowl victory since 1957.

"I don't think we were ready to play," said Southern California coach Paul Hackett.

The Horned Frogs, members of the Western Athletic Conference, held the Trojans to a Sun Bowl record low of minus 23 yards rushing, while TCU tailback Basil Mitchell ran for 185 yards and two touchdowns.

"It doesn't matter what conference you play in," said Mitchell, who ran for 1,100 yards during the season. "You have to come out here and play. I knew we could move the ball, but I didn't know we could do it that way."

Awards Show Merit Lies in the Eye of the Beholder

International Herald Tribune

SEVILLE, Spain — After the sports world has spent the past 12 months separating the wheat from the chaff, now comes the season when the wheat is separated from the wheat.

It is a most subjective matter, this

matter of year-end awards, and it has become a global rite.

While Japanese pundits wrestle with the relative merits of the soccer virtuoso Hidetoshi Nakata and the speedster skater Hiroyasu Shimizu, who won a gold medal and set a world record at the Winter Olympics that Japan was host to, the Italians wrestle with the relative merits of the cyclist Marco Pantani, who won a most contentious Tour de France, and the skier Deborah Campagnon, who won the giant-slam in Nagano. While Spaniards haggle between the tennis stars Alex Corretja and Carlos Moya, Australians haggle between the swimmer Michael Klim, winner of six gold medals at the 1998 world championships, and the motorcycle racer Mick Doohan.

A panel of Brazilian sports journalists picked Ronaldo as their sportsperson of the year, but it wasn't the Ronaldo who plays for Inter Milan. It was Ronaldo Da Costa, the Brazilian who set a new world marathon mark in Berlin in the 1998 Tour de France. The soccer player, who earned their approval was Rivaldo, who plays for FC Barcelona.

Corretja and Moya live and train in that fair seaport, and the Spanish media opted for Corretja as their national sportsman of the year despite the fact that Moya beat him in the final of the French Open and again in the fourth round of the U.S. Open. Corretja's congenital and emotional victory in the less prestigious ATP Tour World Championships, which earned him a year-end ranking of No. 3 to Moya's No. 5 was enough to make the difference.

But some of the names on the selective list that accompanies this story created little debate at home. Zinedine Zidane might earn his living in the Italian first division and might have missed two games during the World Cup after foolishly stepping on a prostrate Sandi

Arabian, but when France needed him most, he scored two goals in the-canonical victory over Brazil in the final. He is the French sportsman of the year whether you are a Cartesian or a Paschalian, a Parisian or a Provencal.

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1998's Athletes of the Year

Country	Athlete	Sport	Champion by
Australia	Michael Klim	swimming	Australian sports commission
Belgium	Suzanne O'Neill	swimming	Sportswriter poll
Brazil	Fred Devillego	swimming	Sportswriter poll
Canada	Denis Savoie	skiing	National poll
Croatia	Dejan Šuker	soccer	Sportswriter poll
Czech Rep.	Dominik Hrbek	hockey	Sportswriter poll
Ethiopia	Habte Giyorgis	runner	Sportswriter poll
France	Zinedine Zidane	soccer	Sportswriter poll

DAVE BARRY

Millennium Dread

MAMI — I found myself thinking about the Millennium Bug a couple of weeks ago while listening to Perry Como sing "Do You Hear What I Hear?" to me on the telephone.

Ordinarily there is nothing I'd rather do than listen to Perry croon a Christmas carol over a speaker that has the acoustical fidelity of a wet kazoo. But in this case, I had been hoping to get through to a Customer Service representative of a large corporation that had just sent me, out of the blue, a letter informing me that my homeowner's insurance was being canceled. This letter caused me to experience one of those chilling homeowner moments, like when you see water coming from an electrical socket, or you realize that you have huilt your new kitchen addition directly over your septic tank, or you call home and the baby sitter says that the fire chief wants to talk to you or the termite inspector shines his flashlight under your house and screams like the shower woman in "Psycho."

So I really, really wanted to talk to a live human Customer Service representative, or even a reasonably intelligent Customer Service dog.

But no matter what numbers I pressed on my touch-tone phone — and I tried them all — I always ended up with a very nice recorded woman saying: "Please hold while your call is transferred to a Customer Service representative." Then there would be some clicks, and I'd get ready to give my insurance policy number, and, there, on the line would be: Perry Como. Perry would croon a few verses of "Do You Hear What I Hear?"; then I'd hear some more clicks; then I'd hear a dial tone.

I went through this entire procedure five times. I began to wonder if maybe, as a result of a career slump, Perry Como actually WAS the Customer Service representative, and was singing Christmas carols to himself in his little cubicle to pass the time while he waited for me to explain my problem. But of course the actual explanation is that the telephone answering system at this corporation, like everything else in the world, is controlled by computers. And while we must recognize that

Suddenly, the elevator won't know if the year is 1900 or 2000!

This is why I'm worried about this Millennium Bug, a glitch that makes it impossible for computers to understand what century it is.

The cause of the Millennium Bug dates back to the 1960s, when computer programmers decided to represent certain types of data in shorthand. Thus 1967 became just '67'; Missouri became just 'Mo.'; and a broiled chicken sandwich with fries and a medium soft drink became just "The No. 4 Combo." The programmers did this because, in the 1960s, computer memory was very expensive. Also, back then everybody except Bill Clinton was on drugs. Many of these programmers didn't KNOW what century it was.

Until recently, the Millennium Bug was not a problem. But now, with the year 2000 looming just ahead, we are facing a disaster. On Dec. 31, 1999, at exactly midnight, the following chilling scenario very likely to occur:

• Millions of people will drink cheap champagne and put on stupid hats.

• A significant number of these people will also sing incomprehensible lyrics about old acquaintance being forgot. A nightmare? You bet it will be. Also there could be some computer problems. Picture this situation: At 11:59 P.M. on Dec. 31, you step into a crowded, computer-controlled elevator in a modern high-rise building. At the stroke of midnight, you and your co-passengers are suspended in an elevator shaft 50 floors up — and suddenly, the elevator doesn't know whether the year is 1900 or 2000! You can imagine what might happen!

Nothing, that's what. Elevators don't NEED to know what year it is. But a co-passenger who has been drinking cheap champagne could throw up on your shoes.

This is just one of the possibilities we need to prepare for.

Another one is that there might be a nuclear war, which — oot to alarm anybody — would probably have a serious impact on the bowl games. Also, many experts are warning that our national communications network could be disrupted, making it impossible, for a while anyway, to reach anybody by telephone. So my advice is: Be prepared. Get yourself a Perry Como record NOW.

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I really, really wanted to talk to a live Customer Service human.

By Mary Blume
International Herald Tribune

NEW YORK — The sun also sets or, to be more accurate, settees. Ernest Hemingway, writer, brawler, boozier, outdoor man, has become a furniture line. "His fame lives on thanks to the Ernest Hemingway Collection, a new body of licensed products embracing furniture, accessories, gifts and textiles," proclaims a press release from Fashion Licensing of America Inc., whose president, Marla A. Metzner, is ensuring that the Nobel Prize winner's fame lives on in such objects as the Corrida Sofa, the Sun Valley Cocktail Table and the Papa Hemingway Chair and Ottoman.

The Papa chair has a "signature nailhead embossed with an H to identify it as authentically Hemingway," while the brush metal-framed Polar bookcase has a "distinctive signature H and marlin symbol."

Twelve licensees will release nearly 100 Hemingway home products next month, with Thomasville Furniture in North Carolina the chief player. "Ernest Hemingway had a unique celebrity about him. He was a very real person, not a designer, and he was bigger than life," says Thomasville's senior vice-president of sales and marketing.

The collection was launched in October with Jack Hemingway, the writer's oldest son, bolstering the line in the North Carolina press. "I think he would be pleased, but he might not say so," Jack told the Thomasville Times.

In her Madison Avenue office, Metzner, svelte in a safari-style suit, likes to use a Hemingwaysque term, "the true gen," to describe the Hemingway Collection. "It means the real thing. I love to use that because when the property is right, when the category is right, it is a true gen, it really does bring up all the images that are very Hemingwaysque."

That ottomans and slipcovers and woven chenille in wild animal patterns could be the



true gen became apparent to Metzner a couple of years ago and she informed the Hemingway family, whom she had represented earlier on such minor deals as Gap and Calvin Klein ads, a limited edition Mont Blanc pen in a box that was supposed to look like a novel (\$600, but only \$325 for the rollerball), fly reels, Papa Hemingway wire eyeglass frames made in Japan and a long-billed fishing cap featured in the J. Peterman catalogue.

The idea was to make Hemingway a brand name by trademarking him and then find a niche for the name, such as the burgeoning home furnishings industry. It was Metzner who put together what she calls the brand personality.

"High quality was absolutely number one. Masculine, having a sense of the man — passionate, enduring, international, this sense of romance although very masculine."

Celebrity commodities are not new but the

branding of the name and its intensive merchandising is novel enough for the grandchildren of another great writer to sign up with Metzner. She is now at work on an F. Scott Fitzgerald line, of which only a pair of Gatsby suspenders so far exist.

As Thomasville's vice president explained, Hemingway was a real person, not a designer, and so each Papa product has a biographical bias: The furniture is inspired by four places where the writer lived: Key West, Florida; Havana; Kenya, and Ketchum, Idaho, where he took his life. Why no Paris?

"Because we didn't want to do everything at once," Metzner replied, "just as Papa said at the end of the day he didn't like to drain the well dry, he liked to leave a little bit so he knew exactly where to go the next morning. We didn't want to do everything in the first line. Spain, the Paris years and Italy — that is all to come."

Caponeetto chintz? Who knows? In the meantime, Metzner is working on Hemingway apparel, although he was a "notoriously sloppy dresser." "We would never do a suit that wouldn't be appropriate," Metzner smoothly replied. She has in mind what she calls a major sportswear line — "the kind of clothes that you would see gentlemen wear in the Hamptons on the weekend. Tweeds, leather. Country suburban, you might call it."

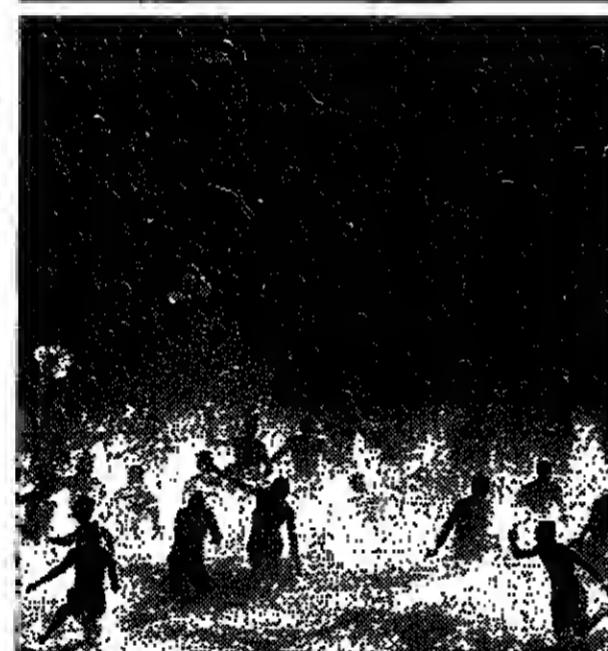
Literary consumer goods could have a great future. Beckett ash cans for the new big areas, the kitchen and bathroom; an O. Henry pocket watch; a Henry James golden bowl; handcrafted in Taiwan with a built-in flask; and for Fitzgerald a hip flask. There is presumably nothing against a recreational utility vehicle with zebra-patterned seats for Papa, Metzner having so far drawn the line only at booze and firearms.

A few grouches, however, of course criticized the branding of Hemingway, but Metzner dismisses them easily. "The family was really demanding their family name because, if they didn't do it someone else would. Many of the things you see, the family wouldn't have approved. By getting them proactive, getting trademarks, now it has to be approved. It could have been Wal-Mart or Sloppy Joe's around the corner without their approval, so I commend them for protecting the family name."

Metzner refuses to give details of the royalty agreements that have been signed, but 1999 should be a good year for her and the Hemingways. It is the centennial of the writer's birth, which will be marked not only by a nationwide promotion for The Ernest Hemingway Collection, but also by the publication of an abandoned manuscript that Hemingway's youngest son, Patrick, has completed in his father's stead and named "True at First Light," and a film by Hemingway's granddaughter, Mariel, of his memoir, "A Moveable Feast."

Happy New Year, Papa.

PEOPLE



COLD CUSTOM — About 2,000 people in the Dutch coastal resort of Scheveningen taking part Friday in the traditional New Year's dip in the North Sea.

in the vote by around 45,000 listeners.

Louvre and outdraws the Empire State Building in New York, which attracted 3.6 million visitors in 1997.

A Japanese adventurer attempting a solo trek across Antarctica reached the South Pole on New Year's Eve, his support group said Friday. Mitsuro Oba, who in 1997 became the first person to walk alone across the frozen Arctic Ocean, celebrated his achievement with members of the U.S. Antarctic base. If Oba accomplishes his goal of reaching Antarctica's Eighth Coast, about 1,200 miles (1,900 kilometers) from the South Pole, he will become the first person to complete solo treks across both Antarctica and the Arctic Ocean.

At 110, the Eiffel Tower drew 6 million visitors in 1998, beating its previous record of 5.747 million, set in 1992, and renewing its claim to being the world's most popular monument. The company that manages the 320-meter (1,050-foot) tower, built by Gustave Eiffel for the Universal Exhibition of 1889, says it draws twice as many visitors as the

The Queen of Soul rocked a Detroit hospital auditorium with a New Year's Eve show that had hundreds of patients and staffers dancing in their seats. "Because some of you weren't able to get out for Christmas and the holidays, we wanted to bring a little Christmas to you," Aretha Franklin told the audience at Henry Ford Hospital.



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